POWER CORPORATION OF CANADA

Notice of 2021 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 on Friday, May 14, 2021, at 11:00 a.m., Eastern 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, 2020 and the auditors' report thereon;
4. to approve a non-binding advisory resolution on the Corporation's approach to executive compensation; and
5. to transact such other business as may properly come before the Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Stéphane Lemay
Vice-President, General Counsel and Secretary
Montréal, Québec
March 17, 2021

If you do not expect to be present at the online meeting, please complete, date and sign the form of proxy or voting instruction form you have received by mail and return it in the envelope enclosed or otherwise vote by telephone or the Internet by following the instructions on the form of proxy or voting instruction form.

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

This year, to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders in the context of the COVID-19 pandemic, the Meeting is being held as a completely virtual meeting, which will be conducted via live webcast. The Meeting will not take place in a physical location and shareholders will therefore not be able to attend the Meeting in person. As described in further detail in the accompanying management proxy circular, only registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at https://web.lumiagm.com/475858931.

LETTER TO SHAREHOLDERS

Dear fellow shareholders,

On behalf of the Board of Directors of Power Corporation of Canada (the "Corporation"), we are pleased to invite you to join us at the 2021 Annual Meeting of Shareholders, to be held in a virtual format on Friday, May 14, 2021. This Management Proxy Circular contains further information about each item of business to be considered at the meeting as well as important information about, among other things, voting of your shares, the individuals nominated for election as Directors, our governance practices and our approach to director and executive compensation.

Responding to COVID-19 with a View to the Long-term

As we have all experienced, the outbreak of "COVID-19" in 2020 has resulted in governments worldwide enacting emergency measures and has caused material disruption to individuals, families and businesses globally. While maintaining its foundational commitment to enhancing long-term value, a particular focus of the Corporation during the ongoing pandemic has been the immediate safety and well-being of its people and ensuring continuity of operations and financial soundness.

In response to COVID-19, the Corporation instituted a work-from-home policy to protect its employees and expanded resources available to them including additional benefits, training and virtual health programs. We want to thank every employee of the Power group of companies for keeping a high level of engagement and helping the group continue to operate and effectively serve their customers during these extraordinary circumstances.

The Corporation has long considered its strong foundation of integrity and ethical business conduct as fundamental to its success as a holding company, with responsible management and investing being an intrinsic part of the Corporation's commitment to corporate social responsibility. This commitment continued during the COVID-19 pandemic with our group companies focusing on helping those in need to cope with this situation. Examples include Power group companies such as Peak Achievement Athletics Inc., whose Bauer brand re-focused its manufacturing operations to produce face shields for front-line workers, The Canada Life Assurance Company, who took steps to assist their clients who are experiencing hardships, including offering mortgage payment support flexibility, loan payment deferrals, or special loans for living expenses, and IGM Financial Inc. ("IGM"), who took similar steps with respect to mortgages and credit products.

Charitable giving has long been integral to the Corporation's mission with a broad and balanced approach to supporting the communities in which we do business. This year the COVID-19 pandemic added a special urgency to providing support to the most vulnerable among us. The Corporation supported numerous initiatives that ensured that those affected by the pandemic received the help they needed, such as Centraide of Greater Montreal and the Canadian Red Cross, as well as smaller local initiatives dealing with a rise in demand for their services.

Throughout the year, we supported projects and initiatives that were responsible, inclusive, and that impact the well-being of our communities. In addition to support to community-based organizations, the Corporation is proud to have funded several urgent COVID-19 related medical research projects at various hospitals. The Corporation is also sensitive to the increased pressure exerted on cultural organizations and we continued to honor commitments to our cultural partners while supporting initiatives to help artists facing increased financial hardship.

Business Highlights for 2020

Amidst the uncertainty presented by the COVID-19 pandemic, the Corporation continued its focus on long-term value creation, with the Power group of companies making significant progress on implementing their organic strategies while completing and announcing a number of value-enhancing transactions.

Originally announced at the end of 2019, the Corporation successfully completed the Power Financial Corporation ("Power Financial") reorganization transaction (the "Reorganization") in February 2020, as a result of which the Corporation now owns all of the issued and outstanding common shares of Power Financial. Among other benefits, the Reorganization eliminated the prior dual-holding company structure of the Corporation and Power Financial, consolidated ownership of the group's industry-leading financial services operating companies and increased the public float of the Corporation's Subordinate Voting Shares. In connection with the Reorganization, the Corporation also increased quarterly dividends payable to its shareholders. The Reorganization facilitated the Corporation's pursuit of initiatives aimed at building alternative asset investment platforms, while continuing to develop and realize the value of select direct investments and optimizing operating expenses. The Corporation also embarked on a new program of enhanced investor and stakeholder communications.

Other material value-creation transactions in 2020 included the reorganization of Pargesa Holding SA and Groupe Bruxelles Lambert to eliminate its dual-holding company structure, the acquisition in the United States by Empower Retirement, a subsidiary of Great-West Lifeco Inc. ("Lifeco"), of Personal Capital Corporation, a leading digital wealth manager, and of the retirement services business of Massachusetts Mutual Life Insurance Company, the sale of GLC Asset Management Group Ltd. by Lifeco to Mackenzie Financial Corporation and the entry by the two companies into a strategic relationship with Northleaf Capital Partners Ltd., the investment by leading technology investors in Wealthsimple Financial Corp. and the execution of an agreement that is expected to result in The Lion Electric Company becoming publicly listed.

The Corporation also oversaw significant progress in its publicly traded operating companies' organic agendas in 2020. Notably, Lifeco continued to transform its Canadian operations (with a particular focus on renewing individual product lines and investing in its leading group business), build upon Empower Retirement's high-growth retirement business in the U.S. and invest in its European businesses to position them for enhanced growth. IGM continued to build momentum with strong cash flows, greater scale in its asset management business and continued enhancements of IG Wealth Management's capabilities.

Corporate Governance

During 2020, the Corporation continued to find ways to strengthen its corporate governance framework and increase shareholder engagement, including the adoption of a voluntary policy that, commencing with this 2021 Annual Meeting of Shareholders, asks shareholders to consider a non-binding advisory resolution on the Corporation's approach to executive compensation. Following completion of the Reorganization, the Corporation also undertook certain changes to its senior management team which resulted in, among other things, the Governance and Nominating Committee now being comprised solely of directors that do not also act as executives of the Corporation and the roles of Chairman of the Board and Chief Executive Officer ("CEO") now being performed by separate individuals. We have also made a number of corporate governance changes, including to our Diversity Policy to include persons with disabilities, members of visible minorities, Aboriginal peoples and sexual orientation as components of diversity and by issuing annual meeting of shareholders voting results separated by class of shares.

Since the beginning of 2021, we have continued to make corporate governance changes which include:

- amending the Corporation's Diversity Policy to establish an objective of having not less than 30 per cent of the seats on the Corporation's Board of Directors held by women by the completion of the Corporation's Annual Meeting of Shareholders to be held in 2025;
- mandating that the Corporation's Audit Committee meet in-camera (i.e., without members of management present) for a portion of every meeting of the committee (previously applicable standard was for the committee to meet in-camera at least four times per year), in line with current practices of the other committees of the Corporation;
- adopting a Charter of Expectations for Directors (in addition to the position descriptions already in place for the Chairman of the Board and Lead Director), which includes, among other things:
  - a Director position description setting out the various expectations of Directors;
  - a policy limiting the potential for inter-locking directorships outside the Power group of companies (i.e., where more than one member of the Board of Directors of the Corporation serves on the same board of directors of a publicly listed issuer);
  - an attendance policy whereby Directors are expected, absent extraordinary reasons, such as health issues, to attend at least 75 per cent of regularly scheduled Board meetings and committee meetings on which they serve on an annual basis;
  - setting out the minimum equity ownership requirement policy that requires Directors to hold Shares and/or DSUs of the Corporation or DSUs of Power Financial with a value of at least $600,000 within the later of five years of their becoming a Director and December 31, 2024;
- introducing a holding period of one year following the departure of the NEOs, other than the CEO, during which the minimum equity ownership requirement shall continue to apply (the holding period for the CEO remains at two years following his departure of the Corporation); and
- enhancing the clarity and insight provided by compensation disclosure in this Management Proxy Circular, including providing a "look-back" table (see "Executive Compensation – Compensation of the Chief Executive Officer – Compensation Look-Back Analysis") showing how much the CEO has earned over the past five years from all compensation elements, including long-term features such as stock options and share units.

You will also note, in the section "Shareholder Engagement" of this Management Proxy Circular, that we have increased our shareholder engagement during the past year. We began holding quarterly earnings calls in the first quarter of 2020, met with 81 investors in 2020 and continue to hold frequent meetings in 2021. In addition to being able to contact our Investors Relations team at investor.relations@powercorp.com, we have also created a dedicated email address (corporate.secretary@powercorp.com) where shareholders can contact the Corporation through our Corporate Secretary.

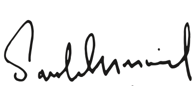
Board Changes

This year, the number of women nominated for election to the Board at the 2021 Annual Meeting of Shareholders has increased to three (21.43 per cent of the Board) as compared to two (15.39 per cent) last year. The Board believes that diversity is important to ensure that Board members provide the necessary range of perspectives required to achieve effective stewardship of the Corporation and recognizes of the important role of women in contributing to diversity of perspective in the Boardroom.

At the annual meeting of shareholders, shareholders will be asked to vote on the nomination of Ms. Sharon MacLeod to the Board. Ms. MacLeod is an experienced business leader with over 20 years of experience growing brands and businesses within Unilever, where she held the positions of Global Brand Vice-President, North American Vice-President of Personal Care and Vice-President of Unilever Canada from 1998 to 2019. Ms. MacLeod joined the boards of directors of IGM, IG Wealth Management and Mackenzie Inc. in 2017 and is also a Strategic Board Member for The Carlyle Group. We are very pleased to propose her candidacy for election as a member of our Board and believe that she will bring very valuable experience and expertise to our discussions.

2020 has been an important year at the Corporation, in which substantial progress was made across the group. We salute the outstanding contributions of our management teams and the thousands of employees around the world who have authored this progress, even as they grappled with the challenges of the global pandemic. We would like to thank our management teams and employees for their engagement, hard work, and dedication. We also wish to express the Corporation's gratitude to our shareholders for their ongoing support.

Sincerely,



Paul Desmarais, Jr.	André Desmarais	R. Jeffrey Orr
Chairman	Deputy Chairman	President and Chief Executive Officer

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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 14, 2021 (the "Meeting"), or any adjournment thereof.

The Meeting will be held as a completely virtual meeting, which will be conducted via live webcast. The Meeting will not take place in a physical location and shareholders will therefore not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the Meeting online is provided below. Only registered shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Non-registered shareholders who have not duly appointed themselves as proxyholder will not be able to participate or vote at the Meeting but will be able to listen to the online Meeting as guests.

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 has also engaged a proxy solicitation firm, Kingsdale Advisors, to potentially solicit proxies on behalf of management. The costs of such engagement will be borne by the Corporation and are expected to be approximately $45,000 plus disbursements. The Corporation has agreed to indemnify such proxy solicitation firm against certain liabilities arising out of or in connection with such engagement.

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

Name in full	Abbreviation
Power Financial Corporation	PFC or Power Financial
Great-West Life & Annuity Insurance Company	Empower Retirement
Great-West Lifeco Inc.	Lifeco
Groupe Bruxelles Lambert	GBL
IGM Financial Inc.	IGM
Investors Group Inc.	IG Wealth Management
Pargesa Holding SA*	Pargesa
The Canada Life Assurance Company	Canada Life
Toronto Stock Exchange	TSX
Canadian Securities Administrators	CSA

* On March 11, 2020, Parjointco SA and Pargesa announced an agreement for a transaction that would simplify the group structure. A public exchange offer was launched by Parjointco Switzerland, a wholly owned subsidiary of Parjointco SA, for all Pargesa shares Parjointco SA did not already own. Following the successful completion of the public exchange offer, on November 20, 2020, Pargesa and Parjointco Switzerland merged and, as a result, Pargesa ceased to exist.

Additionally, herein, the Corporation and the subsidiaries and affiliated companies of the Corporation are collectively referred to as the "Power Group" and the reorganization transaction completed by the Corporation and PFC on February 13, 2020 is referred to as the "Reorganization".

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

On March 17, 2021, there were outstanding 54,860,866 Participating Preferred Shares and 621,703,526 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 17, 2021 (the "Record Date"). The Subordinate Voting Shares represent 53.12 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 17, 2021, the Desmarais Family Residuary Trust exercises control over Pansolo Holding Inc. ("Pansolo") which, directly and indirectly, owns 54,697,962 Participating Preferred Shares and 48,363,392 Subordinate Voting Shares in the aggregate, representing 99.70 per cent and 7.78 per cent, respectively, of the outstanding shares of such classes and 50.87 per cent and 15.23 per cent, respectively, of the votes associated with, and quantity of, the total outstanding Shares of the Corporation. The Desmarais Family Residuary Trust is for the benefit of members of the family of The Honourable Paul G. Desmarais. The Trustees of the Desmarais Family Residuary Trust are Paul Desmarais, Jr., André Desmarais, Sophie Desmarais, Michel Plessis-Bélair and Guy Fortin. The Trustees also act as voting administrators. Decisions with respect to voting and disposition of Shares of the Corporation controlled by the Desmarais Family Residuary Trust are determined (subject to the rights of Paul Desmarais, Jr. and André Desmarais to direct the sale or pledge of up to 15,000,000 and 14,000,000 of those Subordinate Voting Shares, respectively, as described herein) by a majority of the Trustees of the Desmarais Family Residuary Trust, excluding Sophie Desmarais; provided that if there is no such majority, Paul Desmarais, Jr. and André Desmarais, acting together, may make such decisions. Paul Desmarais, Jr., André Desmarais and Michel Plessis-Bélair are each a Director or officer of Power.

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 any class of voting securities of the Corporation.

NOTICE-AND-ACCESS

As permitted by the CSA and pursuant to an exemption from the management proxy solicitation requirement received from the Director appointed under the *Canada Business Corporations Act*, the Corporation is using "notice-and-access" to deliver, to both registered and non-registered shareholders, this Management Proxy Circular and its 2020 annual financial statements and the related management's discussion and analysis (the "Meeting Materials"). Instead of receiving paper copies of the Meeting Materials in the mail, shareholders as of the Record Date, have access to the materials online. Shareholders will receive a package in the mail which will include a Notice of Availability of Materials for the 2021 Annual Meeting of Shareholders (the "Notice of Availability") regarding notice-and-access for the Meeting, explaining how to access the Meeting Materials electronically, and how to request paper copies of the Meeting Materials free of charge. A paper copy of the form of proxy for registered shareholders, or a voting instruction form for non-registered shareholders, will be included with the Notice of Availability, along with instructions on how to vote your Shares. Shareholders are reminded to review this Management Proxy Circular before voting. Notice-and-access provides shareholders with faster access to this Management Proxy Circular, directly benefits the Corporation through a substantial reduction in both postage and printing costs and demonstrates environmental responsibility by decreasing the large volume of paper documents generated by printing the Meeting Materials.

How to Access the Meeting Materials Electronically

Electronic copies of the Meeting Materials are available online on our transfer agent's website at www.envisionreports.com/POWQ2021, on our website at www.powercorporation.com and under our profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

How to Request Paper Copies of the Meeting Materials

Shareholders may obtain paper copies of the Meeting Materials free of charge by following the instructions provided in the Notice of Availability. Shareholders may request paper copies of the Meeting Materials for up to one year from the date that this Management Proxy Circular is filed under our profile on SEDAR. In order to receive paper copies of the Meeting Materials in advance of the deadline for submission of voting instructions and the date of the Meeting, your request must be received by May 4, 2021. Please note that shareholders who request paper copies of the Meeting Materials will not receive another form of proxy or voting instruction form.

Questions?

Shareholders with questions regarding notice-and-access can call Computershare Investor Services Inc. ("Computershare"), our registrar and transfer agent, at 1-800-564-6253 (toll free in Canada and the United States) or +1-514-982-7555 (all other countries).

VOTING INSTRUCTIONS FOR REGISTERED SHAREHOLDERS

A shareholder is a registered shareholder if shown as a shareholder on the Record Date on the shareholder list kept by Computershare, as registrar and transfer agent of the Corporation for the Shares, in which case a share certificate or statement from a direct registration system 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 a Notice of Availability and a form of proxy from Computershare representing the Shares held by the registered shareholder.

If a Registered Shareholder Does Not Wish to Attend the Meeting

In order to be voted at the Meeting, or any adjournment thereof, proxies from registered shareholders must be properly executed and received by or deposited with Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1 (or voted by telephone or the Internet by following the instructions on the form of proxy), no later than 11:00 a.m. (Eastern Time) on May 12, 2021 (the "Voting Deadline").

If a Registered Shareholder Wishes to Vote and Attend the Meeting

Registered shareholders who wish to attend and vote at the Meeting should not complete or return the form of proxy. Such registered shareholders should access the Meeting by visiting https://web.lumiagm.com/475858931 and clicking on "I have a login" and entering a Control Number and Password before the start of the Meeting. The Control Number is located on the form of proxy or in the email notification received by the registered shareholder. The Password to the Meeting is "power2021" (case sensitive). A registered shareholder using the provided Control Number to login to the Meeting must accept the terms and conditions. Such registered shareholders will be provided the opportunity to vote by online ballot on the matters put forth at the Meeting. A vote made during the online ballot will revoke any previously submitted proxy. Any registered shareholder that does not wish to revoke a previously submitted proxy can refrain from voting during the online ballot.

If a Registered Shareholder Wishes to Appoint a Third Party to Vote and Attend at the Meeting

Registered shareholders who wish to appoint a third party proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Shares MUST submit their form of proxy appointing such third party proxyholder AND register the third party proxyholder, as described below. Registering such a proxyholder is an additional step to be completed AFTER submitting a form of proxy. Failure to register the proxyholder will result in the proxyholder not receiving a Control Number to attend, participate or vote at the Meeting. To appoint a third party proxyholder, registered shareholders should insert such person's name in the blank space provided in the form of proxy and follow the instructions for submitting such form of proxy. This must be completed prior to registering such proxyholder.

To register a proxyholder, registered shareholders MUST visit http://www.computershare.com/PowerCorp by 11:00 a.m. (Eastern time) on May 12, 2021 and provide Computershare with the required proxyholder contact information, so that Computershare may provide the proxyholder with a Control Number via email.

Third party proxyholders appointed by registered shareholders should access the Meeting by visiting https://web.lumiagm.com/475858931 and clicking on "I have a login" and entering a Control Number and Password before the start of the Meeting. Computershare will provide the proxyholder with a Control Number by e-mail after the Voting Deadline has passed. The Password to the Meeting is "power2021" (case sensitive).

If a Registered Shareholder Wishes to Revoke a Proxy

A registered shareholder who has submitted 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 with Computershare or at the registered office of the Corporation, located at 751 Victoria Square, Montréal, Québec, Canada, no later than 11:00 a.m. (Eastern time) on May 12, 2021, or at least 48 hours before any adjournment thereof, at which the proxy is to be used, or by logging in to the Meeting online, or any adjournment thereof, and accepting the terms and conditions, or in any other manner permitted by law, but prior to the exercise of such proxy in respect of any particular matter.

If you have any questions or require assistance with voting your Shares, please contact Kingsdale Advisors, the strategic shareholder advisor and proxy solicitation agent for the Corporation, by telephone at 1-877-659-1823 toll-free in North America (+1-416-867-2272 collect) or by e-mail at contactus@kingsdaleadvisors.com.

VOTING INSTRUCTIONS FOR NON-REGISTERED SHAREHOLDERS

A shareholder is a non-registered shareholder (or beneficial owner) 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").

In accordance with CSA *National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), 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 declined to receive such materials). Such Intermediaries often use a service company (such as Broadridge Investor Communication Solutions in Canada ("Broadridge")), to permit the non-registered shareholder to direct the voting of the Shares held by the Intermediary, on behalf of the non-registered shareholder. The Corporation is paying Broadridge to deliver, on behalf of the Intermediaries, a copy of the materials related to the Meeting to each "objecting beneficial owner" and each "non-objecting beneficial owner" (as such terms are defined in NI 54-101).

If a Non-Registered Shareholder Does Not Wish to Attend the Meeting

Non-registered shareholders who do not wish to attend the Meeting should carefully follow the instructions on the voting instruction form 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.

If a Non-Registered Shareholder Wishes to Vote and Attend the Meeting

Since Power generally does not have access to the names of its non-registered shareholders, non-registered shareholders who wish to attend and vote at the Meeting should insert their own name in the blank space provided in the voting instruction form to appoint themselves as proxyholders and then follow their Intermediary's instructions for returning the voting instruction form AND register themselves as proxyholder. To register as a proxyholder, non-registered shareholders MUST visit http://www.computershare.com/PowerCorp by 11:00 a.m. (Eastern time) on May 12, 2021 and provide Computershare with the required proxyholder contact information, so that Computershare may provide the proxyholder with a Control Number via email. Without a Control Number, proxyholders will not be able to participate or vote at the Meeting. By doing so, a non-registered shareholder is instructing its intermediary to appoint the non-registered shareholder as proxyholder. It is important that non-registered shareholders comply with the signature and return instructions provided by their intermediaries. Non-registered shareholders who have appointed themselves as proxyholders and who wish to attend and vote at the Meeting should not complete the voting section of the voting instruction form. Non-registered shareholders who have appointed themselves as proxyholders should access the Meeting by visiting https://web.lumiagm.com/475858931 and clicking on "I have a login" and entering a Control Number and Password before the start of the Meeting. Computershare will provide the proxyholder with a Control Number by e-mail after the Voting Deadline has passed. The Password to the Meeting is "power2021" (case sensitive).

Non-registered shareholders who have not appointed themselves as proxyholders may still attend the Meeting as guests. Guests will be able to listen to the Meeting but will not be able to participate or vote at the Meeting (see below "Attendance and Participation at the Meeting").

If a Non-Registered Shareholder Wishes to Appoint a Third Party to Vote and Attend the Meeting

Non-registered shareholders who wish to appoint a third party proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Shares MUST submit their voting instruction form appointing such third party proxyholder AND register the third party proxyholder, as described below. Registering such a proxyholder is an additional step to be completed AFTER submitting a voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Control Number to attend, participate or vote at the Meeting. To appoint a third party proxyholder, non-registered shareholders should insert such person's name in the blank space provided in the form of voting instruction form (if permitted) and follow the instructions for submitting such form of voting instruction form. This must be completed prior to registering such proxyholder.

To register a third party to vote, non-registered shareholders MUST visit http://www.computershare.com/PowerCorp by 11:00 a.m. (Eastern time) on May 12, 2021 and provide Computershare with the required proxyholder contact information, so that Computershare may provide the third party with a Control Number via email.

Third party proxyholders appointed by non-registered shareholders should access the Meeting by visiting https://web.lumiagm.com/475858931 and clicking on "I have a login" and entering a Control Number and Password before the start of the Meeting. Computershare will provide the proxyholder with a Control Number by e-mail after the Voting Deadline has passed. The Password to the Meeting is "power2021" (case sensitive). A non-registered shareholder located in the United States that wishes to attend, participate or vote at the Meeting or, if permitted, appoint a third party as proxyholder, in addition to the steps described herein must obtain a valid legal proxy from its intermediary. Such non-registered shareholders should follow the instructions from such intermediary included with the provided voting information form, or contact the intermediary to request a legal proxy form or a legal proxy if they have not received one. After obtaining a valid legal proxy from the intermediary, such non-registered shareholders must then submit such legal proxy to Computershare. Requests for registration from non-registered shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail or by courier to: uslegalproxy@computershare.com (if by e-mail), or Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 (if by courier), and in both cases, must be labeled as "legal proxy" and received by no later than 11:00 a.m. (Eastern time) on May 12, 2021.

Non-registered shareholders who have not duly appointed themselves as proxyholder will not be able to participate or vote at the Meeting.

If a Non-Registered Shareholder Wishes to Revoke Voting Instructions

A non-registered shareholder may revoke previously given voting instructions by contacting his or her Intermediary and complying with any applicable requirements imposed by such Intermediary. An Intermediary may not be able to revoke voting instructions if it receives insufficient notice of revocation.

If you have any questions or require assistance with voting your Shares, please contact Kingsdale Advisors, the strategic shareholder advisor and proxy solicitation agent for the Corporation, by telephone at 1-877-659-1823 toll-free in North America (+1-416-867-2272 collect) or by e-mail at contactus@kingsdaleadvisors.com.

ATTENDANCE AND PARTICIPATION AT THE MEETING

The Corporation is holding the Meeting in virtual format only, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person.

Attending the Meeting online enables registered shareholders and duly appointed proxyholders to participate at the Meeting. Registered shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting.

For any questions on joining or attending the Meeting or on voting procedures, please refer to the "Virtual Meeting User Guide" which is included in the mailing envelope sent to shareholders and is available on our transfer agent's website at www.envisionreports.com/POWQ2021, on the Corporation's website www.powercorporation.com and on SEDAR (www.sedar.com).

It is recommended that shareholders and proxyholders submit their questions as soon as possible during the Meeting so they can be addressed at the right time. Questions may be submitted in writing by using the relevant dialog box in the function "Ask a question" during the Meeting. Only shareholders and duly appointed and registered proxyholders may ask questions during the question period.

The Chair of the Meeting or members of management present at the Meeting will answer questions relating to a matter to be voted on before a vote is held on such matter, if applicable. General questions will be addressed by the Chair of the Meeting and other members of management at the end of the Meeting during the question period.

So that as many questions as possible are answered, shareholders and proxyholders are asked to be brief and concise and to address only one topic per question. Questions from multiple shareholders on the same topic or that are otherwise related will be grouped, summarized and answered together.

All shareholder questions are welcome. However, the Corporation does not intend to address questions that:

> are irrelevant to the Corporation, its subsidiaries or investee companies' operations or to the business of the Meeting;

> are related to non-public information;

> are derogatory or otherwise offensive;

> are repetitive or have already been asked by other shareholders;

> are in furtherance of a shareholders personal or business interests; or

> are out of order or not otherwise appropriate as determined by the Chair or Secretary of the Meeting in their reasonable judgment.

For any questions asked but not answered during the Meeting, a member of the Corporation's management will attempt to contact such shareholder to respond to its question to the extent the shareholder has provided its email address when submitting its question.

Guests, including non-registered shareholders who have not duly appointed themselves as proxyholder, can log in to the Meeting as set out below. Guests can listen to the Meeting but are not able to participate or vote.

> Log in online at https://web.lumiagm.com/475858931. You should allow ample time to check into the Meeting online and complete the related procedure.

> Click "Guest" and then complete the online form.

If you attend the online Meeting, you should allow ample time to check into the online Meeting, read the instructions and complete the related procedure.

In the event of technical malfunction or other significant problem that disrupts the Meeting, the Chair of the Meeting may adjourn, recess, or expedite the Meeting, or take such other action as the Chair determines is appropriate considering the circumstances.

VOTING BY PROXY

Shareholders can Choose any Person or Company as their Proxyholder

Each of the persons named in the form of proxy as proxyholder is a representative of management of the Corporation and is a Director and officer of the Corporation.

Every shareholder has the right to appoint some other person or company of their choice (who need not be a shareholder) to attend and act on their behalf at the online Meeting, or any adjournment thereof, and may do so by inserting such other proxyholder's name in the blank space provided for that purpose in the form of proxy or voting instruction form and complying with the further instructions provided in this Management Proxy Circular, form of proxy or voting instruction form, as applicable.

How Proxyholders Will Vote

The persons designated in the form of proxy or voting instruction form will vote for, against or withhold from voting the Shares represented by such form in accordance with the instructions of the shareholder as indicated on such form on any ballot that may be called for and, if the shareholder has specified a choice with respect to any matter to be acted on, the Shares will be voted for, against, or withheld from voting, accordingly. In the absence of such instructions, Shares represented by a proxy will be voted for, against, or withheld from voting, in the discretion of the persons designated in the proxy, which in the case of the representatives of management named in the form of proxy will be as follows: for the election, as Directors, of all nominees listed in this Management Proxy Circular; for the appointment of Deloitte LLP as auditors of the Corporation; and for the Say-on-Pay Resolution (as defined herein).

The proxy confers discretionary authority in respect of amendments to matters identified in the Notice of 2021 Annual Meeting of Shareholders and such other matters as may properly come before the Meeting or any adjournment thereof. Management of the Corporation is not aware that any such amendments or other matters are to be submitted to the Meeting.

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, such number presently being fixed at 13 until the Meeting, at which time the Board has determined to fix the number at 14 upon the recommendation of the Governance and Nominating Committee. The 14 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 representatives of management named in the 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 persons designated in the 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.

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 or until a successor to the Director is otherwise elected, unless he or she resigns or his or her office becomes vacant for any reason. 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 a Human Resources Committee (formerly, the 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.

Minimum Equity Ownership Requirement for Directors

To further align the interests of Directors with the long-term interest of the Corporation's shareholders, Directors are required to hold Shares or deferred share units ("DSUs") of the Corporation or DSUs of PFC (payable in Subordinate Voting Shares) with a value equivalent to $600,000 (prior to December 31, 2019: $450,000) within the later of five years of their becoming a Director of the Corporation and December 31, 2024. This requirement has been formalized in the newly adopted Charter of Expectations for Directors (see "Statement of Governance Practices – Board of Directors"). All Directors meet, or are on track to meet, the Corporation's equity ownership requirement.

Nominees for Election to the Board

Set forth below is certain information concerning each nominee for election to the Board, including certain biographical information, the voting results for the 2020 Annual Meeting of Shareholders ("2020 AGM"), the number of Shares and DSUs of the Corporation and DSUs of PFC (payable in Subordinate Voting Shares) beneficially owned, or controlled or directed, directly or indirectly, by each of them, information concerning adherence to the Corporation's minimum equity ownership requirements for Directors, in the case of Mr. Orr, the number of performance-based vesting deferred share units ("PDSUs") of the Corporation and PDSUs and performance share units ("PSUs") of PFC (payable in Subordinate Voting Shares); as well as shares and DSUs of the Corporation's other 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 the attendance, for the financial year ended December 31, 2020, by the Directors who are nominated for election at the Meeting. Shareholders should be aware that Directors make important contributions in respect of the Corporation outside meetings of the Board and its Committees which are not reflected in attendance figures.

The Board is committed to nominating the best individuals for election as Director and the Governance and Nominating Committee takes into account the previous commitments of each individual when proposing candidates to be nominated for election to the Board. 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 large and diversified corporate group that are brought to the Corporation by those Directors who also serve on the boards of its subsidiaries. The presence of such Directors enriches the discussion and enhances the quality of governance at the Board and the boards of the Corporation's subsidiaries, and assists the Corporation in the proper stewardship of its holdings. See the "Statement of Corporate Governance Practices – Independence of Directors" section later in this Management Proxy Circular.

Footnotes to the biographical information appear at the end of this section.

Pierre Beaudoin, QUÉBEC, CANADA

Mr. Beaudoin is Chairman of the Board and a Director of Bombardier Inc. (a world leading manufacturer of business jets), of which he was Executive Chairman of the Board from 2015 to 2017 and President and Chief Executive Officer from 2008 until 2015. Prior thereto, he was President and Chief Operating Officer of Bombardier Aerospace 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. Since May 30, 2019, Mr. Beaudoin is a director of BRP Inc. and a member of its Human Resources and Compensation Committee and of its Nominating, Governance and Social Responsibility Committee.

AGE: 58	DIRECTOR SINCE MAY 2005

BOARD/COMMITTEE MEMBERSHIP[1]	ATTENDANCE
Board	6/6
Related Party and Conduct Review Committee	2/2

2020 AGM VOTING RESULTS

Votes For: 98.89%

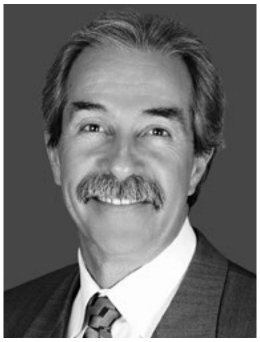
SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	Subordinate Voting Shares[2]	DSUs[3]	Total
# as at March 17, 2021	63,098	93,675	156,773
# as at March 18, 2020	44,498	77,919	122,417
Change (#)	18,600	15,756	34,356
Total Market Value as at March 17, 2021[4]	$2,074,031	$3,079,097	$5,153,128
Minimum Equity Ownership Requirement[5]			$600,000
Total Market Value/Minimum Equity Ownership Requirement			8.59
Minimum Equity Ownership Requirement: Meets/On track to meet			✓

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
Nil	Nil

Marcel R. Coutu, ALBERTA, CANADA



Mr. Coutu is a Company Director. He is a Director of Brookfield Asset Management Inc. and Enbridge Inc. From 2001 to 2014, he was President and Chief Executive Officer of Canadian Oil Sands Limited (an oil and gas company) and, from 2003 to 2014, Chairman of Syncrude Canada Ltd. (a Canadian oil sands project). 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 many Power Group companies in North America, including Lifeco, Canada Life, Empower Retirement, Putnam Investments, LLC, IGM, IG Wealth Management and Mackenzie Inc.

Mr. Coutu serves as a Director of the Calgary Exhibition and Stampede Board. 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. He was a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta until 2014.

AGE: 67	DIRECTOR SINCE MAY 2011

BOARD/COMMITTEE MEMBERSHIP[1]	ATTENDANCE
Board	6/6
Audit Committee	4/4
Human Resources Committee	7/7

2020 AGM VOTING RESULTS

Votes For: 96.53%

SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	Subordinate Voting Shares	DSUs[3]	Total
# as at March 17, 2021	–	68,368	68,368
# as at March 18, 2020	–	54,727	54,727
Change (#)	–	13,641	13,641
Total Market Value as at March 17, 2021[4]	–	$2,247,256	$2,247,256
Minimum Equity Ownership Requirement[5]			$600,000
Total Market Value/Minimum Equity Ownership Requirement			3.75
Minimum Equity Ownership Requirement: Meets/On track to meet			✓

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
10,000 Common Shares of Lifeco 900 Common Shares of IGM	86,464 DSUs of Lifeco 27,480 DSUs of IGM

André Desmarais, O.C., O.Q., QUÉBEC, CANADA

AGE: 64 | DIRECTOR SINCE MAY 1988

Mr. Desmarais has been Deputy Chairman of the Corporation since 1996, previously also having served as President and Co-Chief Executive Officer of the Corporation from 1996 until his retirement from that position in February 2020. He was also Executive Co-Chairman of PFC from 2015 to March 2020, Co-Chairman of PFC from 2008 to 2015 and Deputy Chairman of PFC from 1996 to 2008. 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.

Mr. Desmarais is a Director of many Power Group companies in North America, including PFC, Lifeco, Canada Life, Empower Retirement, Putnam Investments, LLC, IGM, IG Wealth Management and Mackenzie Inc. He was a Director and Vice-Chairman of Pargesa in Europe until November 2020, when Pargesa's reorganization was completed. He was also a Director of Bellus Health Inc. until 2009 and of CITIC Pacific Limited in Asia until 2014.

Mr. Desmarais is Honorary Chairman of the Canada China Business Council and is a member of several China-based organizations. He is active in a number of cultural, health and other not-for-profit organizations. In 2003, he was named an Officer of the Order of Canada and, in 2009, he was named an Officer of the Ordre national du Québec. He has received Honorary Doctorates from Concordia University, Université de Montréal and McGill University. Mr. Desmarais is a trustee of the Desmarais Family Residuary Trust.[6]

BOARD/COMMITTEE MEMBERSHIP[1]	ATTENDANCE
Board	6/6
Governance and Nominating Committee	1/1

2020 AGM VOTING RESULTS

Votes For: 83.00%

SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	Subordinate Voting Shares[2,7]	DSUs[3,8]	Total
# as at March 17, 2021	15,541,445	250,018	15,791,463
# as at March 18, 2020	15,537,564	217,344	15,754,908
Change (#)	3,881	32,674	36,555
Total Market Value as at March 17, 2021[4]	$510,847,297	$8,218,092	$519,065,389
Minimum Equity Ownership Requirement[9]			$8,750,000
Total Market Value/Minimum Equity Ownership Requirement			59.32
Minimum Equity Ownership Requirement: Meets/On track to meet			✓

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
350,000 Common Shares of Lifeco	222,561 DSUs of Lifeco 88,715 DSUs of IGM

Paul Desmarais, Jr., O.C., O.Q., QUÉBEC, CANADA

Mr. Desmarais is Chairman of the Corporation since 1996. He also served as Co-Chief Executive Officer of the Corporation from 1996 until his retirement from that position in February 2020, previously having assumed various positions since he joined the Corporation in 1981. He also served as Executive Co-Chairman of PFC from 2015 to March 2020, Co-Chairman of PFC from 2008 to 2015 and Executive Chairman of PFC from 1990 to 2005.

From 1982 to 1990, he was a member of the Management Committee of Pargesa; in 1991, he was Executive Vice-Chairman and then Executive Chairman of the Committee, and from 2003 to 2019, he was Co-Chief Executive Officer. He was Chairman of the Board from 2013 until November 2020 when Pargesa's reorganization was completed.

Mr. Desmarais is a Director of many Power Group companies in North America, including PFC, Lifeco, Canada Life, Empower Retirement, Putnam Investments, LLC, IGM, IG Wealth Management and Mackenzie Inc. In Europe, he has been Chairman of the Board of Groupe Bruxelles Lambert since April 2019 and was previously a Vice-Chairman from 2012 to 2019. He had also been a Director of SGS SA since 2013. He was a Director of LafargeHolcim Ltd from 2008 to 2020, of Total SA from 2002 to 2017, of GDF Suez from 2001 to 2014, and of Imerys S.A. from 1998 to 2008.

Mr. Desmarais is a member of The Business Council of Canada. He is also active on a number of philanthropic advisory councils.

In 2005, he was named an Officer of the Order of Canada, in 2009, an Officer of the Ordre national du Québec and, in 2012, Chevalier de la Légion d'honneur in France. He has received a number of Honorary Doctorates. Mr. Desmarais is a trustee of the Desmarais Family Residuary Trust.[6]

AGE: 66	DIRECTOR SINCE MAY 1988

BOARD/COMMITTEE MEMBERSHIP[1]	ATTENDANCE
Board	6/6
Governance and Nominating Committee	1/1

2020 AGM VOTING RESULTS

Votes For: 81.53%

SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	Subordinate Voting Shares[7]	DSUs[3,8]	Total
# as at March 17, 2021	15,106,049	178,992	15,285,041
# as at March 18, 2020	15,103,553	155,040	15,258,593
Change (#)	2,496	23,952	26,448
Total Market Value as at March 17, 2021[4]	$496,535,831	$5,883,467	$502,419,298
Minimum Equity Ownership Requirement[9]			$8,750,000
Total Market Value/Minimum Equity Ownership Requirement			57.42
Minimum Equity Ownership Requirement: Meets/On track to meet			✓

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
100,000 Common Shares of Lifeco	56,068 DSUs of Lifeco 44,845 DSUs of IGM

Gary A. Doer, O.M., MANITOBA, CANADA

AGE: 72 | DIRECTOR SINCE MAY 2016

Mr. Doer is a Senior Business Advisor to the law firm Dentons Canada LLP since August 2016. From 2009 to 2016, he served as Canada's Ambassador to the United States. He was the Premier of Manitoba from 1999 to 2009 and served in a number of roles in the Legislative Assembly of Manitoba from 1986 to 2009. In 2005, as Premier, Mr. Doer was named by Business Week magazine as one of the top 20 international leaders on climate change. In 2017, Mr. Doer joined the Trilateral Commission as a member of the North American Group.

Mr. Doer is a Director of several Power Group companies in North America, including PFC, Lifeco, Canada Life, Empower Retirement, Putnam Investments, LLC, IGM, IG Wealth Management and Mackenzie Inc. He is also a Director of Air Canada since May 2018 and was a Director of Barrick Gold Corporation from 2016 to 2018.

Mr. Doer is a volunteer Co-Chair of the Wilson Centre's Canada Institute, a non-partisan public policy forum focused on Canada-U.S. relations. In 2010, he became a Member of the Order of Manitoba and, in 2011, he received a distinguished diplomatic service award from the World Affairs Council.

BOARD/COMMITTEE MEMBERSHIP[1]	ATTENDANCE
Board	6/6
Audit Committee	4/4

2020 AGM VOTING RESULTS

Votes For: 99.26%

SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	Subordinate Voting Shares	DSUs[3,8]	Total
# as at March 17, 2021	–	40,485	40,485
# as at March 18, 2020	–	27,245	27,245
Change (#)	–	13,240	13,240
Total Market Value as at March 17, 2021[4]	–	$1,330,742	$1,330,742
Minimum Equity Ownership Requirement[5]			$600,000
Total Market Value/Minimum Equity Ownership Requirement			2.22
Minimum Equity Ownership Requirement: Meets/On track to meet			✓

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
Nil	17,265 DSUs of Lifeco 12,359 DSUs of IGM

Anthony R. Graham, LL.D., ONTARIO, CANADA

AGE: 64 | DIRECTOR SINCE MAY 2001

Mr. Graham is Chairman and Chief Executive Officer of Sumarria Inc., an investment management company, since 1984. He was Vice-Chairman from 2014 to 2019 and President from 2000 to 2014 of Wittington Investments, Limited, the principal holding company of the Weston-Loblaw Group. Prior thereto, he held senior positions in Canada and the United Kingdom with National Bank Financial Inc. (formerly Lévesque Beaubien Geoffrion Inc.), a Montréal-based investment dealer.

Mr. Graham also serves on the Boards of Bombardier Inc. since 2019, Graymont Limited since 1987 and Grupo Calidra, S.A de C.V. since 2003. He formerly served on the Boards of PFC from 2001 to February 2020, George Weston Limited from 1996 to 2016, Loblaw Companies Limited from 1999 to 2015, President's Choice Financial, of which he served as Chairman from 1999 to 2016 and Choice Properties Real Estate Investment Trust, of which he served as Chairman from 2017 to 2020.

Mr. Graham is Chairman of the Ontario Arts Foundation, and The Shaw Festival Foundation and is Vice-Chairman of the Business for the Arts in Canada. He also serves on the Boards of the Art Gallery of Ontario, the Canadian Institute for Advanced Research and Luminato. In June 2007, he was awarded an Honorary Doctorate of Laws from Brock University.

BOARD/COMMITTEE MEMBERSHIP[1]	ATTENDANCE
Board*	6/6
Human Resources Committee	7/7
Governance and Nominating Committee	1/1

2020 AGM VOTING RESULTS

Votes For: 94.37%

SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	Subordinate Voting Shares[2]	DSUs[3,8]	Total
# as at March 17, 2021	51,250	200,934	252,184
# as at March 18, 2020	51,250	173,682	224,932
Change (#)	–	27,252	27,252
Total Market Value as at March 17, 2021[4]	$1,684,587	$6,604,701	$8,289,288
Minimum Equity Ownership Requirement[5]			$600,000
Total Market Value/Minimum Equity Ownership Requirement			13.82
Minimum Equity Ownership Requirement: Meets/On track to meet			✓

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
Nil	Nil

* Mr. Graham was also appointed Lead Director on March 23, 2018.

J. David A. Jackson, LL.B., ONTARIO, CANADA

AGE: 74	DIRECTOR SINCE MAY 2013

Mr. Jackson retired as a Partner of the law firm Blake, Cassels & Graydon LLP ("Blakes") in 2012, and currently serves as Senior Counsel to the firm, primarily in the areas of mergers and acquisitions and corporate governance. He was the Chairman of Blakes from 1995 to 2001. He was recognized throughout his career as a leading practitioner in the areas of mergers and acquisitions, corporate finance and corporate governance by numerous independent assessment organizations.

Mr. Jackson is also a Director of several Power Group companies in North America, including Lifeco and Canada Life. He served on the Boards of PFC from May 2013 to February 2020 and of IG Wealth Management from 1991 to 2001.

Mr. Jackson has also served as a Director of a number of public and private corporations. He was a Director and the Vice-Chairman of the Board of Sunnybrook Health Sciences Centre until 2011. He holds a Bachelor of Commerce degree from the University of Windsor and a Bachelor of Laws (LL.B.) from Osgoode Hall Law School, and was called to the Bar of Ontario in 1974.

BOARD/COMMITTEE MEMBERSHIP [1]	ATTENDANCE
Board	6/6
Audit Committee	4/4

2020 AGM VOTING RESULTS

Votes For: 98.97%

SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	Subordinate Voting Shares [2]	DSUs [3,8]	Total
# as at March 17, 2021	7,237	45,698	52,935
# as at March 18, 2020	7,237	37,496	44,733
Change (#)	–	8,202	8,202
Total Market Value as at March 17, 2021 [4]	$237,880	$1,502,093	$1,739,973

Minimum Equity Ownership Requirement [5]	$600,000
Total Market Value/Minimum Equity Ownership Requirement	2.90
Minimum Equity Ownership Requirement: Meets/On track to meet	✓

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
5,514 Common Shares of IGM	19,323 DSUs of Lifeco

Sharon MacLeod, ONTARIO, CANADA

AGE: 52	DIRECTOR SINCE N/A

Ms. MacLeod is a Company Director. She is a marketing and business leader with over 20 years of experience growing brands and businesses within Unilever, where she held the positions of Global Brand Vice-President, North American Vice-President of Personal Care and Vice-President of Unilever Canada from 1998 to 2019. She is best known for her leadership of the Dove brand and has been recognized by Strategy in Canada as Marketer of the Year in 2019.

Ms. MacLeod is a Director of several Power Group companies in North America, including IGM, IG Wealth Management and Mackenzie Inc. since 2017. She is a Strategic Board Member for The Carlyle Group. She previously was a member of the Advertising Standards Canada Council. Catalyst Canada honoured Ms. MacLeod in 2014 as a Business Leader. In 2013 and 2014, Ms. MacLeod was named by Women's Executive Network as one of Canada's most powerful women. Ms. MacLeod holds a Bachelor of Commerce and Master of Science in Marketing Management from the University of Guelph, and she is a graduate of the Harvard Business School's Corporate Boards Program.

BOARD/COMMITTEE MEMBERSHIP [1]	ATTENDANCE
N/A*	N/A*

2020 AGM VOTING RESULTS

Votes For: N/A

SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	Subordinate Voting Shares	DSUs [3]	Total
# as at March 17, 2021	Nil	Nil	Nil
# as at March 18, 2020	Nil	Nil	Nil
Change (#)	Nil	Nil	Nil
Total Market Value as at March 17, 2021 [4]	Nil	Nil	Nil

Minimum Equity Ownership Requirement [5]	N/A*
Total Market Value/Minimum Equity Ownership Requirement	N/A*
Minimum Equity Ownership Requirement: Meets/On track to meet	N/A*

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
Nil	19,015 DSUs of IGM

* Ms. MacLeod is being proposed for election as a Director of the Corporation for the first time.

Paula B. Madoff, NEW YORK, UNITED STATES OF AMERICA

Ms. Madoff is a Company Director. She has served as an Advisory Director to The Goldman Sachs Group, a global investment banking, securities and investment management firm, since August 2017. She has spent 25 years at Goldman Sachs, where she most recently was a Partner responsible for Interest Rate Products and Mortgages until her retirement in 2017. Ms. Madoff also held several additional leadership positions at Goldman Sachs, including Co-Chair of the Retirement Committee overseeing 401k and pension plan assets, Chief Executive Officer of Goldman Sachs Mitsui Marine Derivatives Products, L.P., and was a member of its Securities Division Operating Committee and Firmwide New Activity Committee. She has 30 years of experience in investing, risk management and capital markets activities.

Ms. Madoff is a Director of several Power Group companies in North America, including Lifeco, Canada Life, Empower Retirement and Putnam Investments, LLC. She also serves as a Director of KKR Real Estate Finance Trust Inc., Tradeweb Markets Inc. and ICE Benchmark Administration, where she is also Chair of the ICE LIBOR Oversight Committee.

Ms. Madoff is a 2018 David Rockefeller Fellow, a member of the Harvard Business School Alumni Board, the Harvard Kennedy School Woman and Public Policy Women's Leadership Board, and a Director of Hudson River Park Friends. She received a Masters in Business Administration from Harvard Business School and a Bachelor of Arts degree in Economics from Lafayette College.

AGE: 53	DIRECTOR SINCE MAY 2020

BOARD/COMMITTEE MEMBERSHIP [1]	ATTENDANCE
Board	3/3*
Related Party and Conduct Review Committee	1/1*

2020 AGM VOTING RESULTS
Votes For: 99.74%

SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	Subordinate Voting Shares	DSUs [3]	Total
# as at March 17, 2021	–	2,924	2,924
# as at March 18, 2020	–	–	–
Change (#)	–	2,924	2,924
Total Market Value as at March 17, 2021 [4]	–	$96,112	$96,112
Minimum Equity Ownership Requirement [5]			$600,000
Total Market Value/Minimum Equity Ownership Requirement			0.16**
Minimum Equity Ownership Requirement: Meets/On track to meet			✓**

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
Nil	18,315 DSUs of Lifeco

* Ms. Madoff was elected Director on May 15, 2020 and was appointed to the Related Party and Conduct Review Committee on the same date.

** Ms. Madoff has until May 15, 2025 to meet the Corporation's minimum equity ownership requirement for Directors.

Isabelle Marcoux, O.C., QUÉBEC, CANADA

Ms. Marcoux is Chair of the Board of Transcontinental Inc. since 2012, a leader in flexible packaging in North America and Canada's largest printer and a leader in school textbook publishing. Previously, she was Vice-Chair of the Board from 2007 to 2012 and Vice-President, Corporate Development, from 2004 to 2012. Between 1998 and 2004, she held the successive roles of Director, Legal Affairs and Assistant Corporate Secretary and Director, Mergers and Acquisitions. Before joining Transcontinental Inc., she was a lawyer at McCarthy Tétrault LLP.

Ms. Marcoux is a member of the Board of Rogers Communications Inc. She was also a member of the Board of George Weston Limited for 12 years, until 2019. Moreover, Ms. Marcoux sits on the Board of the Institute for governance of private and public organizations (IGOPP) and is a member of its Governance and Ethics Committee, in addition to being a member of the Board of Scale AI. Since January 2021, she is the Honorary President of the Major Donors Circle of Centraide of Greater Montreal, which she chaired from 2018 to 2020, was co-chair of the 2016 Centraide of Greater Montreal campaign and co-chaired the 2015 Leaders' Circle campaign. In addition, she is a member of the Board of the Montréal Children's Hospital Foundation since 2015, and a member of the Advisory Board of McGill University's Law Faculty since 2018.

Ms. Marcoux has also been involved in several fundraising campaigns, notably for the Montréal Museum of Fine Arts, the Montréal Heart Institute, the Tel-Jeunes Foundation, the Young Musicians of the World Foundation and the Foundation Montréal Inc. In 2016, Ms. Marcoux was awarded the Medal of the National Assembly of Québec and, in 2017, she became the first Canadian to win the Visionary Award for Strategic Leadership from the global organization Women Corporate Directors Foundation. Also in 2017, she was inducted into the Women's Executive Network (WXN) Hall of Fame, after being named one of Canada's 100 most powerful women by the organization in 2010, 2012 and 2016. In 2019, she was appointed Member of the Order of Canada.

Ms. Marcoux holds a Bachelor's degree in Political Science and Economics, and a Bachelor's degree in Civil Law, both from McGill University. She has been a member of the Québec Bar since 1995.

AGE: 51	DIRECTOR SINCE MAY 2010

BOARD/COMMITTEE MEMBERSHIP[1]	ATTENDANCE
Board	6/6
Human Resources Committee	7/7
Governance and Nominating Committee	1/1

2020 AGM VOTING RESULTS
Votes For: 98.68%

SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	Subordinate Voting Shares	DSUs[3]	Total
# as at March 17, 2021	–	72,022	72,022
# as at March 18, 2020	–	57,886	57,886
Change (#)	–	14,136	14,136
Total Market Value as at March 17, 2021[4]	–	$2,367,363	$2,367,363
Minimum Equity Ownership Requirement[5]			$600,000
Total Market Value/Minimum Equity Ownership Requirement			3.95
Minimum Equity Ownership Requirement: Meets/On track to meet			✓

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
Nil	Nil

Christian Noyer, PARIS, FRANCE

Mr. Noyer is a Company Director. Previously, he served as the Governor of the Banque de France (the central bank of France, which is linked to the European Central Bank) from 2003 to 2015. From 1998 to 2002, he was Vice-President of the European Central Bank in Frankfurt. After being appointed to the Treasury in the Ministry of the Economy and Finance of France in 1976, Mr. Noyer held a number of positions before serving as Director of the Treasury from 1993 to 1995, Chief of Staff of the Minister of Economic Affairs and Finance from 1995 to 1997, and Director at the Ministry for Economic Affairs, Finance and Industry from 1997 to 1998.

Mr. Noyer served as a member of the Governing Council and the General Council of the European Central Bank from 1998 to 2015, as a member of the Board of the Bank for International Settlements from 2003 to 2015 and as its Chairman from 2010 to 2015. He was also alternate Governor at the International Monetary Fund from 1993 to 1995 and from 2003 to 2015 and a member of the Financial Stability Board from 2008 to 2015. At various times from 1982 to 1995, he also served as a member of the Boards of many partially state-owned companies as a representative of the French government, including Suez S.A., Société Générale S.A., Le Crédit Lyonnais S.A., Le Groupe des Assurances Nationales, Dassault Aviation S.A., Pechiney S.A., Air France and Électricité de France S.A. Since January 2018, he acts as a Director of the NSIA Group in Africa and serves on the Board of Directors of Setl, a company dedicated to creating blockchain-based solutions for financial markets, asset management and payments. From 2018 to 2020, he was a Non-Executive Director of Lloyd's Council and serves as an independent Non-Executive Director of Lloyd's Brussels Board. Since April 2019, the Board of Directors of BNP Paribas has appointed Mr. Noyer as censor.

Mr. Noyer is the Honorary Governor of the Banque de France and has been awarded the honours of Commandeur de la Légion d'Honneur and Commandeur des Arts et des Lettres in France, Commander of the National Order of the Lion in Senegal, Great Cross of the Ordén del Merito Civil in Spain, Officier de l'Ordre National de la Valeur in Cameroon and Gold and Silver Star of the Order of the Rising Sun in Japan.

AGE: 70 | DIRECTOR SINCE MAY 2016

BOARD/COMMITTEE MEMBERSHIP [1]	ATTENDANCE
Board	6/6
Governance and Nominating Committee	1/1
Related Party and Conduct Review Committee	2/2

2020 AGM VOTING RESULTS

Votes For: 96.04%

SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	Subordinate Voting Shares	DSUs [3]	Total
# as at March 17, 2021	–	29,415	29,415
# as at March 18, 2020	–	18,950	18,950
Change (#)	–	10,465	10,465
Total Market Value as at March 17, 2021 [4]	–	$966,871	$966,871
Minimum Equity Ownership Requirement [5]			$600,000
Total Market Value/Minimum Equity Ownership Requirement			1.61
Minimum Equity Ownership Requirement: Meets/On track to meet			✓

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
Nil	Nil

R. Jeffrey Orr, QUÉBEC, CANADA

Mr. Orr was appointed President and Chief Executive Officer of the Corporation in February 2020. Prior to that, he was the 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.

Mr. Orr is a Director of PFC and is also a Director and Chairman of certain Power Group companies, including Lifeco, Canada Life, Empower Retirement, Putnam Investments, LLC, IGM, IG Wealth Management and Mackenzie Inc. He is also a Director of PanAgora Asset Management Inc.

Mr. Orr is active in a number of community and business organizations.

AGE: 62	DIRECTOR SINCE MAY 2005

BOARD/COMMITTEE MEMBERSHIP[1]	ATTENDANCE
Board	6/6

2020 AGM VOTING RESULTS

Votes For: 98.46%

SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	# as at March 17, 2021	# as at March 18, 2020	Change (#)	Total Market Value as at March 17, 2021[4]
Subordinate Voting Shares[2]	515,210	440,210	75,000	$16,934,953
DSUs[3,8]	164,838	147,530	17,308	$5,418,225
PSUs[10]	277,593	320,827	(43,234)	$9,124,482
PDSUs[10]	316,078	280,202	35,876	$10,389,484
Total	1,273,719	1,188,769	84,950	$41,867,144
Minimum Equity Ownership Requirement[9]				$12,500,000
Total Market Value/Minimum Equity Ownership Requirement				3.35
Minimum Equity Ownership Requirement: Meets/On track to meet				✓

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
20,000 Common Shares of Lifeco 120,000 Common Shares of IGM	217,657 DSUs of Lifeco 111,933 DSUs of IGM

T. Timothy Ryan, Jr., FLORIDA, UNITED STATES OF AMERICA

Mr. Ryan is a Company Director. Until 2014, he was Managing Director, Global Head of Regulatory Strategy and Policy of JPMorgan Chase & Co. ("J.P. Morgan"), a global financial services firm, a position he had held since 2013. From 2008 to 2013, he was President and Chief Executive Officer of the Securities Industry and Financial Markets Association ("SIFMA"), a 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. 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.

Mr. Ryan is a Director of many Power Group companies in North America, including PFC, Lifeco, Canada Life, Empower Retirement and Putnam Investments, LLC, having previously served as a Director of the Corporation and of PFC from May 2011 to May 2013 and of Lifeco from May 2010 to May 2013.

Mr. Ryan is Chairman of the Board of Santander Holdings U.S.A., Inc., Santander Bank, N.A. and Banco Santander International. He has served as a Director of Markit Group Limited from 2013 to 2014 and of Lloyds Banking Group from 2009 to 2013. He was a private sector member of the Global Markets Advisory Committee for the U.S. National Intelligence Council from 2007 to 2011.

AGE: 75	DIRECTOR SINCE MAY 2014*

BOARD/COMMITTEE MEMBERSHIP[1]	ATTENDANCE
Board	6/6
Audit Committee	4/4

2020 AGM VOTING RESULTS

Votes For: 99.39%

SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	Subordinate Voting Shares[2]	DSUs[3,8]	Total
# as at March 17, 2021	39,858	34,498	74,356
# as at March 18, 2020	37,511	21,849	59,360
Change (#)	2,347	12,649	14,996
Total Market Value as at March 17, 2021[4]	$1,310,133	$1,133,949	$2,444,082
Minimum Equity Ownership Requirement[5]			$600,000
Total Market Value/Minimum Equity Ownership Requirement			4.07
Minimum Equity Ownership Requirement: Meets/On track to meet			✓

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
Nil	92,242 DSUs of Lifeco

* Mr. Ryan also previously served as a Director of the Corporation from May 13, 2011 to May 15, 2013, but did not stand for re-election at the 2013 Annual Meeting of Shareholders.

Siim A. Vanaselja, FCPA, FCA, ONTARIO, CANADA

Mr. Vanaselja is a Company Director. He served as the Executive Vice-President and Chief Financial Officer of BCE Inc. and Bell Canada, from 2001 to 2015. Prior to joining BCE Inc., he was a Partner with KPMG Canada in Toronto.

Mr. Vanaselja is a Director of several Power Group companies in North America, including PFC, Lifeco and Canada Life. He is also a Director and Chair of the Board of TC Energy Corporation and a trustee of RioCan Real Estate Investment Trust. He previously served as a Director and Chair of the Audit Committee of Maple Leaf Sports & Entertainment Ltd. He also previously served on the Finance Minister's Federal Advisory Committee on Financing, on Moody's Council of Chief Financial Officers and on the Conference Board of Canada's National Council of Financial Executives. Mr. Vanaselja is a Fellow of the Chartered Professional Accountants of Ontario and holds an Honours Bachelor of Business Administration degree from the Schulich School of Business.

AGE: 64 | DIRECTOR SINCE MAY 2020

BOARD/COMMITTEE MEMBERSHIP [1]	ATTENDANCE
Board	3/3*
Audit Committee	2/2*

2020 AGM VOTING RESULTS

Votes For: 97.63%

SECURITIES AND SHARE UNITS OF THE CORPORATION HELD

	Subordinate Voting Shares	DSUs [3,8]	Total
# as at March 17, 2021	23,000	21,327	44,327
# as at March 18, 2020	–	9,946	9,946
Change (#)	23,000	11,381	34,381
Total Market Value as at March 17, 2021 [4]	$756,010	$701,018	$1,457,028
Minimum Equity Ownership Requirement [5]			$600,000
Total Market Value/Minimum Equity Ownership Requirement			2.43
Minimum Equity Ownership Requirement: Meets/On track to meet			✓

SECURITIES AND SHARE UNITS OF THE CORPORATION'S SUBSIDIARIES HELD

Shares (# as at March 17, 2021)	DSUs (# as at March 17, 2021)
25,000 Common Shares of Lifeco	54,227 DSUs of Lifeco

* Mr. Vanaselja was elected Director on May 15, 2020 and was appointed to the Audit Committee on the same date.

[1] Director is currently a member of each listed Committee.

[2] A portion of the Subordinate Voting Shares held by this Director are common shares of PFC ("PFC Common Shares") that were converted to Subordinate Voting Shares on February 13, 2020 in the context of the Reorganization.

[3] The members of the Board of Directors receive all or a portion of their annual retainer and attendance fees in the form of DSUs or in the form of Subordinate Voting Shares of the Corporation. See "Compensation of Directors – Deferred Share Unit Plan and Directors Share Purchase Plan".

[4] Calculated based on March 17, 2021 closing price on the TSX of $32.87 per Subordinate Voting Share of the Corporation. The value of a DSU of the Corporation and a DSU of PFC are each equal to the value of a Subordinate Voting Share.

[5] See "Election of Directors – Minimum Equity Ownership Requirement for Directors".

[6] Voting control of the Corporation is held by the Desmarais Family Residuary Trust. See "Voting Shares and Principal Holders Thereof". Through Pansolo, 54,697,962 Participating Preferred Shares and 48,363,392 Subordinate Voting Shares of the Corporation are controlled by the Desmarais Family Residuary Trust. The direct and indirect security holdings of Pansolo, controlled by the Desmarais Family Residuary Trust, constitute at least 10 per cent of the voting rights attached to all voting securities of the Corporation.

[7] Pursuant to an unanimous shareholders agreement among, inter alia, Pansolo, Paul Desmarais, Jr. and André Desmarais and the securityholders of Pansolo: [a] Paul Desmarais, Jr. (or his designee) has the power to direct Pansolo to sell or pledge up to 15,000,000 Subordinate Voting Shares and so shares control and direction over 15,000,000 Subordinate Voting Shares with the Desmarais Family Residuary Trust; and [b] André Desmarais (or his designee) has the power to direct Pansolo to sell or pledge up to 14,000,000 Subordinate Voting Shares and so shares control and direction over 14,000,000 Subordinate Voting Shares with the Desmarais Family Residuary Trust. Other than as noted in the foregoing, the securities described as being held by Messrs. Paul Desmarais, Jr. and André Desmarais do not include any other securities controlled by the Desmarais Family Residuary Trust, of which they are trustees. See also Note [6].

[8] A portion of the DSUs held by this Director are DSUs of PFC, which were previously granted to the Director by PFC as compensation for services as a Director of PFC. Upon completion of the Reorganization, the terms of the DSUs of PFC were adjusted by the 1.05 exchange ratio applicable to the Reorganization and became payable in Subordinate Voting Shares. See "Compensation of Directors – Deferred Share Unit Plan and Directors Share Purchase Plan" below. As of March 17, 2021, Mr. André Desmarais held 120,888 DSUs of PFC, Mr. Paul Desmarais, Jr. held 85,444 DSUs of PFC, Mr. Gary A. Doer held 18,751 DSUs of PFC, Mr. Anthony R. Graham held 88,071 DSUs of PFC, Mr. J. David A. Jackson held 19,799 DSUs of PFC, Mr. R. Jeffrey Orr held 81,819 DSUs of PFC, Mr. T. Timothy Ryan, Jr. held 15,214 DSUs of PFC and Mr. Siim A. Vanaselja held 14,602 DSUs of PFC.

[9] See "Executive Compensation – Minimum Equity Ownership Requirement for Senior Management".

[10] The PDSUs and a significant portion of the PSUs held by Mr. R. Jeffrey Orr are PDSUs and PSUs of PFC, which were granted to him as compensation for his role as President and Chief Executive Officer of PFC and then, upon completion of the Reorganization, were adjusted by the 1.05 exchange ratio applicable to the Reorganization and became payable in Subordinate Voting Shares. See "Compensation of Directors – Deferred Share Unit Plan and Directors Share Purchase Plan" below. As of March 17, 2021, Mr. R Jeffrey Orr held 316,078 PDSUs and 193,050 PSUs of PFC.

COMPENSATION OF DIRECTORS

Process for Determination of Director Compensation

To assist in determining the appropriate compensation for members of the Board of Directors, the Human Resources Committee reviews competitive practices from time to time with the assistance of outside compensation consultants (see "Executive Compensation – Compensation Consultant" below).

The Human Resources Committee reviews compensation data from a Canadian reference group which is the same group used for benchmarking the executive positions (see list of companies included in the Canadian reference group under "Executive Compensation – Compensation Discussion and Analysis – Benchmarking" below).

The Human Resources Committee's compensation policy is:

> aimed at providing fair, reasonable and competitive total compensation required to attract and retain experienced and competent Directors; and

> designed to directly align the interests of Directors with the long-term interests of the Corporation's shareholders.

Although the Human Resources Committee does not identify a specific percentile within the reference group for determining Director compensation, it tends to fix the compensation at a competitive level within the Canadian reference group considering the role and time commitment of the Directors.

From January 1, 2020 until March 31, 2020, the annual retainer was set at $175,000 for members of the Board of Directors who also served as members of the Board of Directors of PFC and/or Lifeco (and were compensated by such subsidiaries for such service), and $200,000 for all other members of the Board of Directors.

Following the Reorganization, the Human Resources Committee determined that, effective April 1, 2020, the $200,000 retainer that was previously only payable to Directors who did not serve on PFC and/or Lifeco, be extended to all members of the Board, except for the Chairman and Deputy Chairman whose entire compensation for such roles was set at $350,000. The compensation for the Chairman and Deputy Chairman was determined by the Board of Directors as approximating the median retainer paid to individuals performing similar roles and functions at a subset of the Canadian reference group used for setting compensation of the Named Executive Officers ("NEOs") (see "Executive Compensation – Compensation Discussion and Analysis – Benchmarking" below) in addition to other family-controlled Canadian companies that have a non-CEO Chairman or Deputy Chairman. This sample of companies was used to reflect the compensation philosophy and policy observed among other comparable family-controlled Canadian listed companies.

Retainers

For the applicable periods indicated, the retainers payable by the Corporation to Directors were as follows:

Retainers[1]	From January 1, 2020 until March 31, 2020	Starting on April 1, 2020
Annual Retainer (except Chairman and Deputy Chairman)	$175,000/$200,000	$200,000
Annual Retainer – Chairman and Deputy Chairman[2,3]	$175,000	$350,000
Additional Retainer – Chair of Audit Committee	$30,000	$30,000
Additional Retainer – Chair of Human Resources Committee	$20,000	$20,000
Additional Retainer – Chair of Committees, except Audit and Human Resources	$15,000	$15,000
Additional Retainer – Other Members of Audit Committee	$7,500	$7,500
Additional Retainer – Other Members of Human Resources Committee	$6,000	$6,000
Additional Retainer – Other Members of Committees, except Audit and Human Resources[3]	$5,000	$5,000
Additional Retainer – Lead Director	$35,000	$35,000

[1] Following the Reorganization, the PFC Board's functions, size and retainers have been significantly reduced. The PFC Board is now composed of six members, namely André Desmarais, Paul Desmarais, Jr., R. Jeffrey Orr, Gary A. Doer, T. Timothy Ryan, Jr. and Siim A. Vanaselja, of which, Messrs. Doer, Ryan and Vanaselja sit on the PFC Audit Committee. PFC's Human Resources Committee, Governance and Nominating Committee and Related Party and Conduct Review Committee have been eliminated. In addition to the amounts disclosed in the table, commencing April 1, 2020, Directors serving on the PFC Board also receive an annual cash retainer of $50,000, while the members and Chair of the PFC Audit Committee receive an additional $5,000 and $15,000 per year, respectively, in cash.

[2] Effective upon their retirement as Co-CEOs, the Chairman and Deputy Chairman: ceased receiving an annual salary; ceased participating in the short- and long-term incentive programs of the Corporation; and became entitled to receive their retirement benefits under the Corporation pension plans. Effective April 1, 2020, Messrs. Paul Desmarais, Jr. and André Desmarais became entitled to receive an annual retainer of $350,000 in connection with their roles as Chairman and Deputy Chairman.

[3] The Chairman and Deputy Chairman do not receive any additional retainers as members of the Board and of the Governance and Nominating Committee.

Deferred Share Unit Plan and Directors Share Purchase Plan

For the financial year ended December 31, 2020, all Directors received a basic annual retainer as specified in the table above. Of this amount, 50 per cent of the applicable basic annual retainer consisted of a dedicated annual board retainer which was received by Directors in 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 per cent 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 average closing price on the TSX of the Subordinate Voting Shares on the last five trading 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 payable at the time a Director's membership on the Board is terminated (provided the Director is not then a Director, officer or employee of the Corporation or an affiliate of the Corporation), 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. In order to promote greater alignment of interests between Directors and the shareholders of the Corporation, Directors are also able to elect to receive all or a portion of the balance of the annual board retainer, committee retainer, committee chair retainer, Chairman and Deputy Chairman retainer and Lead Director retainer, as applicable, in the form of DSUs under the DSU Plan.

Pursuant to the DSP Plan, for Directors who participate in the DSP Plan, the 50 per cent dedicated portion of the annual board retainer is used to acquire Subordinate Voting Shares 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. In order to promote greater alignment of interests between Directors and the shareholders of the Corporation, Directors are also able to elect to receive the balance of the annual board retainer, committee retainer, committee chair retainer, Chairman and Deputy Chairman retainer and Lead Director retainer, as applicable, in the form of Subordinate Voting Shares acquired under the DSP Plan.

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

Director Compensation Table

The following table shows the compensation paid to individuals (other than NEOs, see "Executive Compensation – Summary Compensation Table" below) for services as a Director of the Corporation during the financial year ended December 31, 2020 and, as applicable, for services as a Director of PFC after the completion of the Reorganization, starting in the second quarter of 2020.

Compensation of Directors[1,2,3,4]

Director	Fees earned[5,6] [$]	Share-based awards[7,8] [$]	All other compensation [$]	Total compensation [$]
Pierre Beaudoin	105,000	100,000	–	205,000
Marcel R. Coutu	110,375	96,875	–	207,250
Gary A. Doer	145,625	96,875	–	242,500
Anthony R. Graham	156,875	96,875	–	253,750
J. David A. Jackson[9]	110,000	96,875	–	206,875
Paula B. Madoff[10,11]	86,250	75,000	–	161,250
Isabelle Marcoux	111,000	100,000	–	211,000
Christian Noyer	110,000	100,000	–	210,000
T. Timothy Ryan, Jr.	145,625	96,875	–	242,500
Siim A. Vanaselja[9,11]	146,250	75,000	–	221,250

[1] Table does not include any amounts paid as reimbursement for expenses or DSUs received in respect of dividend equivalents payable on DSUs.

[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] From January 1, 2020 to March 31, 2020, the annual retainers paid by PFC to its Directors were $175,000 for members of the PFC Board of Directors who also served as members of the Board of Directors of Power and/or Lifeco (and are compensated by such entity for such service), and $200,000 for all other members of the PFC Board of Directors. The additional retainers payable for services on, or as Chair of, committees of the PFC Board of Directors were set at the same amounts as noted in respect of such services on the Corporation's Board of Directors at "Retainers" above and members of the PFC Board of Directors did not, and do not, receive attendance fees. All such amounts were determined by the PFC Compensation Committee and PFC Board of Directors, not by the Board or Human Resources Committee of the Corporation, and have not been included in the table.

[4] In addition to compensation disclosed in the table in respect of services on the PFC Board of Directors, some Directors also receive compensation in their capacity as Directors of other publicly traded subsidiaries of the Corporation, and their subsidiaries, namely: Marcel R. Coutu is also a Director of Lifeco, IGM and certain of their subsidiaries; Gary A. Doer is also a Director of Lifeco, IGM and certain of their subsidiaries; J. David A. Jackson is also a Director of Lifeco and certain of its subsidiaries; Paula B. Madoff is also a Director of Lifeco and certain of its subsidiaries; T. Timothy Ryan, Jr. is also a Director of Lifeco and certain of its subsidiaries; and Siim A. Vanaselja is also a Director of Lifeco and certain of its subsidiaries. See Lifeco's Management Proxy Circular dated March 8, 2021 and IGM's Management Proxy Circular dated February 19, 2021, as applicable, each of which is available under the applicable issuer's SEDAR profile at www.sedar.com. Compensation received by Directors in their capacity as Directors of such publicly traded subsidiaries of the Corporation is determined solely by the Board or Human Resources Committee of such subsidiaries and not by the Board or Human Resources Committee of the Corporation.

[5] Of the fees disclosed, each of the following Directors received the following amounts paid by PFC in respect of service on the PFC Board of Directors after the completion of the Reorganization on February 13, 2020, starting in the second quarter: Gary A. Doer: $41,250; T. Timothy Ryan, Jr.: $41,250; and Siim A. Vanaselja: $48,750. See also Note [3] above.

[6] Of the fees disclosed, each of the following Directors elected to receive the following amounts in the form of additional DSUs under the Corporation's DSU Plan: Pierre Beaudoin: $105,000; Marcel R. Coutu: $110,375; Gary A. Doer: $104,375; Anthony R. Graham: $156,875; Isabelle Marcoux: $111,000; Christian Noyer: $110,000; T. Timothy Ryan, Jr.: $104,375; and Siim A. Vanaselja: $97,500. These amounts are in addition to the amounts shown in the "Share-Based Awards" column above. See also Note [7] below.

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

[8] DSU awards are granted on the first day of each fiscal quarter and the grant date fair value of a DSU award is equal to the average closing price on the TSX of the Subordinate Voting Shares on the last five trading days of the preceding fiscal quarter. The grant date fair value of a DSP award is equal to the aggregate price of the Subordinate Voting Shares so acquired in the market.

[9] Mr. Siim A. Vanaselja was appointed as Chair of the Audit Committee of the Corporation on May 15, 2020, following which time J. David A. Jackson, previously Chair of the Audit Committee, continued as a member of the Audit Committee of the Corporation.

[10] Ms. Paula B. Madoff was appointed as Chair of the Related Party and Conduct Review Committee on May 15, 2020.

[11] Ms. Paula B. Madoff and Mr. Siim A. Vanaselja were elected to the Corporation's Board of Directors on May 15, 2020.

Director Outstanding Options, PDSUs and PSUs

Other than the NEOs (see "Executive Compensation – Incentive Plan Awards" below) or as stated below, no Director of the Corporation held options to acquire securities, PDSUs or PSUs of the Corporation or any of its subsidiaries as at December 31, 2020.

The following table shows equity holdings as at December 31, 2020 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 2020 and, as applicable prior to the Reorganization, PFC's DSU Plan or DSP Plan, in 2020 and prior years.

Director	Number of DSP Plan shares as at December 31, 2020[1] [#]	Number of DSUs held under the DSU Plan as at December 31, 2020[2] [#]	Total value of DSP Plan shares and DSUs[3] as at December 31, 2020[4] [$]
Pierre Beaudoin	Nil	92,318	2,698,455
Marcel R. Coutu	Nil	67,378	1,969,459
Gary A. Doer[5]	Nil	39,898	1,166,219
Anthony R. Graham[5]	Nil	198,023	5,788,212
J. David A. Jackson[5]	Nil	45,037	1,316,432
Paula B. Madoff	Nil	2,882	84,241
Isabelle Marcoux	Nil	70,979	2,074,716
Christian Noyer	Nil	28,989	847,348
T. Timothy Ryan, Jr.[5]	39,421	33,998	2,146,037
Siim A. Vanaselja[5]	Nil	21,018	614,356

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

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

[3] DSUs are payable at the time a Director's membership on the Board is terminated (provided the Director is not then a Director, officer or employee of the Corporation or an affiliate of the Corporation) or in the event of the death of a Director, by a lump sum cash payment, based on the value of the DSUs at that time.

[4] Calculated based on December 31, 2020 closing price of $29.23 per Subordinate Voting Share on the TSX.

[5] Amount includes DSUs which were previously granted to the Director by PFC as compensation for services as a Director of PFC. Pursuant to the Reorganization, the terms of the DSUs of PFC were adjusted by the 1.05 exchange ratio applicable to the Reorganization and became payable in Subordinate Voting Shares.

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 with respect to Directors nominated for election at the Meeting.

Directors of the Corporation are subject to the Corporation's Policy Concerning Insider Trading, which prohibits each Director of the Corporation and of its wholly owned subsidiaries (including PFC) from, among other things, purchasing financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities (or equivalents such as DSUs, the value of which is derived from equity securities) granted by the Corporation or any of its wholly owned subsidiaries as compensation. Directors also may not, directly or indirectly, with respect to any security of the Corporation or a publicly traded subsidiary (as defined in the policy) of the Corporation: [i] make a "short sale" of the security; [ii] sell a "call" or buy a "put", in respect of the security; or [iii] purchase the security for the purpose of selling it at a profit within a short period of time (which the policy provides would generally, depending on the circumstances, mean the purchaser intends to hold such securities for a minimum of two years).

Under the terms of DSUs held by Directors in the Corporation and its publicly traded subsidiaries (including PFC), the Directors may not receive or obtain any amount for the purpose of reducing the impact, in whole or in part, of any reduction in the fair market value of the Subordinate Voting Shares relating to such DSUs or, in the case of DSUs of the subsidiaries, those of a related corporation (such as the Corporation).

EXECUTIVE COMPENSATION

The Human Resources Committee

The Board of Directors of the Corporation has established a Human Resources Committee (the "Committee"), which is responsible for approving (or, in the case of the CEO and, formerly the Co-CEOs (in such capacity), recommending to the Board for approval) the compensation for the executives of the Corporation. The Committee also recommends to the Board for approval the compensation arrangements for the Directors, for the Chairman and Deputy Chairman of the Board, for the Chairs of Board Committees, for the Lead Director and for members of Board Committees. The 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, supplementary 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.

COMPOSITION OF THE COMMITTEE

The members of the Committee are Anthony R. Graham (Chair), Marcel R. Coutu and Isabelle Marcoux. Each member of the Committee is an independent director within the meaning of the Instruments (as more fully described in the "Statement of Corporate Governance Practices – Independence of Directors" section later in this Management Proxy Circular) and none receives, directly or indirectly, any compensation from the Corporation other than for services as a member of the Board of Directors and its committees. Additionally, none of the members of the Committee currently serves as the Chief Executive Officer of a public company. As described below, all members of the Committee have direct experience that is relevant to their responsibilities in executive compensation and have the skills and experience that contribute to the ability of the Committee to make decisions on the suitability of the Corporation's compensation policies and practices.

RELEVANT EXPERIENCE OF MEMBERS OF THE COMMITTEE

In addition to each Committee member's general business background, senior management experience and involvement with other companies (see biographical information under "Election of Directors – Nominees for Election to the Board"), each of the Committee members has many years of experience on the human resources committees, or working closely with the human resources committees, of other companies. The following is a description of the direct experience of each of the members of the Committee that is relevant to such member's responsibilities in executive compensation. Through the positions described below, the members of the Committee have been involved in the design, implementation or oversight of compensation programs within the financial services industry or other sectors. The members of the Human Resources Committee draw upon this experience and their business judgment, as well as the skills gained with this experience, to enable the Committee to make decisions on the suitability of the Corporation's compensation policies and practices.

Mr. Graham is Chairman and Chief Executive Officer of Sumarria Inc., an investment management company, since 1984. He was Vice-Chairman from 2014 to 2019 and President from 2000 to 2014 of Wittington Investments, Limited, the principal holding company of the Weston-Loblaw Group. Prior thereto, he held senior positions in Canada and the United Kingdom with National Bank Financial Inc. (formerly Lévesque Beaubien Geoffrion Inc.), a Montréal-based investment dealer. Mr. Graham also serves on the Boards of Bombardier Inc. since 2019, Graymont Limited since 1987 and Grupo Calidra, S.A. de C.V. since 2003. He formerly served on the Boards of PFC from 2001 to February 2020, George Weston Limited from 1996 to 2016, Loblaw Companies Limited from 1999 to 2015, President's Choice Financial, of which he served as Chairman from 1999 to 2016 and Choice Properties Real Estate Investment Trust, of which he served as Chairman from 2017 to 2020. He has been a member of the Corporation's Human Resources Committee since May 2010 and the Committee's Chairman since May 2012.

Mr. Coutu is a Company Director. He is a Director of Brookfield Asset Management Inc. and Enbridge Inc. From 2001 to 2014, he was President and Chief Executive Officer of Canadian Oil Sands Limited (an oil and gas company) and, from 2003 to 2014, Chairman of Syncrude Canada Ltd. (a Canadian oil sands project). 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 and a member of the Human Resources Committees of Lifeco and its subsidiaries Canada Life, Empower Retirement, Putnam Investments, LLC, and of IGM and its subsidiaries, IG Wealth Management and Mackenzie Inc. He serves on the Calgary Exhibition and Stampede Board, and has also held board positions with Gulf Indonesia Resources Limited, TransCanada Power Limited Partnership and the Board of Governors of the Canadian Association of Petroleum Producers. He has been a member of the Corporation's Human Resources Committee since May 2012.

Ms. Marcoux is Chair of the Board of Transcontinental Inc. since 2012, a leader in flexible packaging in North America and Canada's largest printer and a leader in school textbook publishing. Previously, she was Vice-Chair of the Board from 2007 to 2012 and Vice-President, Corporate Development, from 2004 to 2012. Between 1998 and 2004, she held the successive roles of Director, Legal Affairs and Assistant Corporate Secretary, and Director, Mergers and Acquisitions. Before joining Transcontinental Inc., she was a lawyer at McCarthy Tétrault LLP. Ms. Marcoux is a member of the Board of Rogers Communications Inc. She was also a member of the Board of George Weston Limited for 12 years, until 2019. Moreover, Ms. Marcoux sits on the Board of the Institute for governance of private and public organizations (IGOPP) and is a member of its Governance and Ethics Committee, in addition to being a member of the Board of Scale AI. Since January 2021, she is the Honorary President of the Major Donors Circle of Centraide of Greater Montreal, which she chaired from 2018 to 2020, was co-chair of the 2016 Centraide of Greater Montreal campaign and co-chaired the 2015 Leaders' Circle campaign. In addition, she is a member of the Board of the Montréal Children's Hospital Foundation since 2015, and a member of the Advisory Board of McGill University's Law Faculty since 2018. In 2019, she was appointed Member of the Order of Canada. She is the Chair of the Human Resources Committee of Rogers Communications Inc. and, as the Chair of the Board of Transcontinental Inc., she works closely with its Human Resources and Compensation Committee. She has been a member of the Corporation's Human Resources Committee since May 2012.

HUMAN RESOURCES COMMITTEE WORK PLAN

The following provides an overview of the Human Resources Committee work plan for the year ended December 31, 2020, during which the Committee met seven times:

2020 Committee Primary Activities
Consideration of identified risks associated with compensation
Approval of compensation disclosure in the management proxy circular for the 2020 AGM
Review of compensation, retirement and benefit consulting services
Determination of vesting/payout for applicable outstanding grants under the Corporation's Performance Share Unit Plan
Approval of an equitable adjustment to vesting/payout for applicable grants under PFC's Performance Share Unit Plan to reflect performance of the Corporation (instead of PFC) following the Reorganization
Extension of CEO's compensation arrangements for 2020 (being, in part, the same as 2019 compensation arrangements at PFC)
Approval of new compensation arrangements for the Chairman and the Deputy Chairman
Approval of new grants under Power Executive Stock Option Plan and the Corporation's Performance Share Unit Plan
Approval of performance conditions and vesting schedule applicable to new grants under the Performance Share Unit Plan
Review of compensation structure for the executives of certain subsidiaries of the Corporation who are also officers of the Corporation
Review of senior management succession planning
Review of report on administration of benefit plans (including pension programs)
Review of and approval of changes to Directors' compensation
Review and recommendation to the Board for approval (where required) of new employment agreements
Review of personal loans to officers and employees of subsidiaries
Approval of global salary increase budget
Review of inputs and market peer review for compensation of members of senior management
Approval of annual incentive plan award and salary increases for members of senior management
Consideration of impact of COVID-19 on compensation structure and retention of key employees

Compensation Consultant

Willis Towers Watson (including its predecessors, the "Compensation Consultant") has been retained by the Committee since 2006 to provide executive compensation consulting services. The Compensation Consultant's services typically include advising on compensation policies and assessing compensation-related market developments for senior executives and directors. In particular, in 2020, the Compensation Consultant provided advice to the Committee on compensation-related market developments in light of COVID-19, changes made to the Corporation's Director compensation structure (see "Compensation of Directors – Process for Determination of Director Compensation") the determination of compensation arrangements for the Chairman and the Deputy Chairman following their retirement as NEOs of the Corporation, applicable calculations relating to the Replacement Options (as defined below) issued in connection with the Reorganization, long-term incentive grants for the CEO with reference to the compensation policy of the Corporation, fair value calculations of options using the normalized Black-Scholes factor and accounting Black-Scholes factor, the Corporation's say-on-pay vote (see "Say-On-Pay"), risks associated with the Corporation's compensation practices, and a peer study of performance vesting threshold ranges. The Committee meets alone without the Compensation Consultant and without management at every meeting. In addition, the Committee regularly consults the Compensation Consultant without management being present. Recommendations and decisions made by the Human Resources Committee usually reflect other factors and considerations in addition to the information and guidance provided by the Compensation Consultant.

The Compensation Consultant also provides non-executive compensation consulting services to the Corporation, at the request of management, which are mainly comprised of compensation, retirement and benefit consulting services. On an annual basis, the Compensation Consultant discloses to the Human Resources Committee its full relationship with the Corporation, as well as its consulting structure and other safeguards put in place to avoid conflicts of interest when consulting on executive compensation matters.

The Committee approves all the consulting services provided to the Corporation by the Compensation Consultant.

The Compensation Consultant's fees for the 2019 and 2020 fiscal years for such services were as follows[1]:

	Year ended December 31, 2019 [$]	Year ended December 31, 2020 [$]
Executive Compensation-Related Fees	359,361	373,482
All Other Fees[2]	360,392	610,960

[1] These fees include, in respect of the year ended December 31, 2019 and the period in 2020 prior to the completion of the Reorganization, (i) executive compensation-related fees paid by PFC to the Compensation Consultant amounting to $163,199 and $40,972, respectively, and (ii) all other fees paid by PFC to the Compensation Consultant amounting to $180,196 and $72,304, respectively. If and as required by applicable securities legislation, fees paid to compensation consultants by Lifeco are disclosed in Lifeco's Management Proxy Circular dated March 8, 2021 and fees paid to compensation consultants by IGM are disclosed in IGM's Management Proxy Circular dated February 19, 2021.

[2] These fees relate to non-executive compensation, corporate insurance, retirement and group benefits consulting services, as well as fees related to the Reorganization.

Compensation Discussion and Analysis

OVERVIEW

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

The Corporation has a commitment, as articulated in its mission statement, to enhance shareholder value by actively managing operating businesses and investments which can generate long-term sustainable growth in earnings and dividends. The Corporation aims to act like an owner with a long-term perspective and a strategic vision anchored in strong core values, whereby value is best achieved through a prudent approach to risk and through responsible corporate citizenship.

The guiding principles underlying the Corporation's value creation strategy are:

> take a long-term perspective and investment horizon;

> build industry leaders with attractive growth profiles;

> provide active and strong governance oversight of its companies; and

> maintain a strong financial position and prudent approach to risk management.

Following the Reorganization, the Corporation has changed its strategy to focus on financial services, rather than seeking to diversify across industries. The Corporation's value creation strategy focuses on three important levers:

> operating company organic levers: organic growth strategies at each of our publicly traded operating companies, Lifeco, IGM and GBL;

> operating company inorganic levers: deployment and redeployment of capital; and

> holding company levers: actions that can be taken at the Corporation and between the Corporation and its publicly traded operating companies and investments.

Operating company organic and inorganic levers deliver increased earnings and net asset value, and potential multiple expansion in the price of the Shares through higher expected earnings growth and higher return on equity. Holding company levers increase net asset value and the holding company discount within the price of the Shares can be reduced through: (i) value-surfacing activities or monetization of standalone businesses; (ii) the optimization of expenses at the Corporation; and (iii) an active program to return capital to shareholders.

ROLE OF NAMED EXECUTIVE OFFICERS

As a management and holding company, the Corporation's business activities are carried out through its investments in businesses, each of which has its own management teams and strategies for creating long-term value. Within this context, the Corporation's NEOs perform three distinct sets of roles:

> as executives of the Corporation: developing and executing the Corporation's strategy; allocating and re-allocating capital, including active involvement in important acquisition or divestiture activity; providing leadership to the Corporation's head office functions, including undertaking investor relation activities and developing talent; setting the tone for company culture, including espousing the Corporation's ethics, values, approach to risk awareness and risk management, and sustainable business models;

> as members of the Boards of Directors of the key operating companies in the Power Group: providing governance, oversight and monitoring the performance of such businesses; contributing to Board and committee deliberations concerning key decisions; and appropriately accounting for stakeholder interests including shareholders, employees, business partners, communities and clients or customers; and

> as "active owners": engaging with operating companies in the Power Group and their management teams to discuss strategy, assist in the execution of key transactions and otherwise support development and creation of long-term value.

THE YEAR 2020

In 2020, the COVID-19 pandemic had a severe impact on the global economy. The pandemic caused significant fluctuations in global markets and had unpredictable and prolonged impacts on the businesses in which the Corporation holds long-term investments. Most notably, the pandemic disrupted and impacted various significant stakeholders of the Corporation and its group companies, including their employees, communities, customers, and shareholders, among others.

2020 was also a transformational year for the Corporation, starting with the Reorganization that was approved by holders of PFC Common Shares in February, which was followed with a series of significant transactions and implementation of organic value-creation strategies at the Corporation's publicly traded operating companies. Additionally, the Corporation's alternative asset investment platforms shifted to a strategy of seeking to leverage the Corporation's seed capital to attract third-party-capital and, serving as manager of the investments. Finally, the Corporation's previous diversification strategy resulted in the Corporation owning a number of investments in standalone businesses for which, during 2020, progress was made in respect of value-surfacing activities or transactions.

In February, the Corporation and Power Financial completed the Reorganization, as a result of which the Corporation now beneficially owns all issued and outstanding PFC Common Shares. The Reorganization has served as the foundation and catalyst for a broader set of strategic initiatives that are expected to create long-term value through a simplified corporate structure, a focus on financial services rather than diversification, a prioritization of the development of the Corporation's alternative asset investment platforms, a reduction of operating and financing expenses, and enhanced investors relations activities. As part of the Reorganization, Messrs. Paul Desmarais, Jr. and André Desmarais retired after 24 years in their roles as Co-Chief Executive Officers (continuing to serve as Chairman and Deputy Chairman, respectively, of the Corporation) and Mr. R. Jeffrey Orr, President and Chief Executive Officer of Power Financial, became President and Chief Executive Officer of the Corporation.

In March, Parjointco SA and Pargesa announced a proposed transaction pursuant to which, on November 20, 2020, Pargesa and Parjointco Switzerland (a wholly owned subsidiary of Parjointco) merged. The transaction simplified the group structure by eliminating the double holding company structure, with Parjointco Switzerland now holding a 28.2 per cent interest in GBL, representing a 43.2 per cent voting interest, and Pargesa ceasing to exist.

In June, Empower Retirement (a subsidiary of Lifeco) announced it had entered into an agreement to acquire Personal Capital Corporation ("Personal Capital"), a hybrid wealth manager that combines a leading-edge digital experience with personalized advice delivered by human advisors, including a 24.8 per cent interest owned by IGM. Completed on August 17, 2020, the combination brought together Empower Retirement's leading retirement plan services and integrated financial tools, and Personal Capital's growing, digitally oriented personal wealth management platform, benefiting Lifeco by: (i) positioning Empower Retirement with an additional growth platform (a growing U.S. direct to consumer hybrid digital wealth manager); (ii) leveraging Personal Capital's platform to accelerate growth of Empower Retirement's existing Defined Contribution-focused retail wealth management business; and (iii) enhancing Empower Retirement's successful Defined Contribution business with the addition of Personal Capital's leading financial planning and financial wellness capabilities.

In August, Lifeco announced that an agreement had been reached to sell its Canadian subsidiary, GLC Asset Management Group Ltd. ("GLC"), to Mackenzie Financial Corporation ("Mackenzie", a subsidiary of IGM). The transaction was completed on December 31, 2020 and supported Canada Life's strategic objectives of strengthening and growing its Canadian wealth management business and gaining access to Mackenzie's at scale investment management capability. GLC has a 50-year history of providing investment advisory services to a range of mutual funds, individual and group segregated funds and whose principal activity is the provision of investment management services to Canada Life and Mackenzie. As part of the transaction, Canada Life established a new fund management subsidiary, Canada Life Investment Management Limited, which assumed fund management responsibilities for the Quadrus Group of Funds and other Canada Life branded investment funds from Mackenzie.

In September, Empower Retirement announced it had reached a definitive agreement to acquire the retirement services business of Massachusetts Mutual Life Insurance Company for a total transaction value of approximately US$3.35 billion. Completed on December 31, 2020, the transaction is intended to strengthen Empower Retirement's position as the second largest retirement services provider in the U.S. based on assets under administration and number of retirement plan participants. On November 27, 2020, Empower Retirement also completed the acquisition of the retirement business of Fifth Third Bank.

Also in September, Lifeco and Mackenzie announced that they had entered into a strategic relationship with Northleaf Capital Partners Ltd. ("Northleaf") to expand and enhance the private markets product capabilities across IGM's and Lifeco's distribution channels. On October 29, 2020, Mackenzie and Lifeco jointly acquired a non-controlling interest in Northleaf through an acquisition vehicle that is 80 per cent owned by Mackenzie and 20 per cent owned by Lifeco, providing a significant presence in the large and rapidly growing private markets investments industry, with an obligation and right to purchase the remaining equity and voting interests in Northleaf commencing in approximately five years and extending into future periods.

In October, Wealthsimple Financial Corp. ("Wealthsimple") announced that it had raised $114 million from a group of third-party investors. The purchase price associated with the investment valued the equity at $1.4 billion, pre-money, valuing the Power Group's holdings of Wealthsimple at $934 million, an increase of $619 million on total investments of $315 million, representing an internal rate of return of 44 per cent, gross of fees, expenses and carried interest.

In November, The Lion Electric Company ("Lion Electric"), an innovative manufacturer of zero-emission vehicles in which Power Sustainable Capital Inc. ("Power Sustainable", a wholly owned subsidiary of the Corporation) holds a 44.1 per cent equity interest, announced that it intended to combine with Northern Genesis Acquisition Corp., a publicly traded Special Purpose Acquisition Company. Upon closing of the proposed transaction, Lion Electric is expected to be listed on the New York Stock Exchange. At a post-money equity valuation for Lion Electric of US$1.9 billion, the Corporation's investment has a fair value of $812 million, resulting in an increase in the Corporation's net asset value of $737 million.

In December, the Corporation announced the completion of an internal share capital reorganization of Power Financial that involved the issuance to the Corporation by Power Financial of Class A Common Shares (all of which were subsequently exchanged for PFC Common Shares) and Third Preferred Shares, following which the Corporation became the direct holder of all of the issued and outstanding PFC Common Shares.

During 2020, the Corporation approved new strategies, operating models, governance and compensation programs for each of Sagard Holdings and Power Sustainable. Further, Sagard Holdings integrated Sagard Europe onto its platform and Power Sustainable restructured Power Pacific and Power Energy into alternative asset investment management structures. Both platforms also accelerated external fund-raising initiatives. For example, on December 16, 2020, Sagard Holdings announced the first closing of Sagard Credit Partners II, its second credit fund, with commitments totalling US$650 million, while early in 2021, Power Sustainable announced the closing of its first Energy Infrastructure Fund with commitments totalling $1 billion.

The Corporation also oversaw significant progress in its publicly traded operating companies' organic agendas in 2020. Notably, Lifeco continued to transform its Canadian operations (with a particular focus on renewing individual product lines and investing in its leading group business), build upon Empower Retirement's high-growth retirement business in the U.S. and invest in its European businesses to position them for enhanced growth. IGM continued to build momentum with strong cash flows, greater scale in its asset management business and continued enhancements of IG Wealth Management's capabilities.

The Corporation implemented a 10.5 per cent increase in the quarterly dividend on the Shares in the second quarter of 2020 and has undertaken actions to achieve 61 per cent of the Corporation's anticipated $50 million in approximate annual cost reductions by eliminating certain duplicative public company-related expenses and rationalizing other general and administrative expenses.

NAMED EXECUTIVE OFFICERS

Each year, in determining whether an individual is an NEO under applicable securities laws, the senior employees of the Corporation are first assessed in order to determine if they are "executive officers" under applicable securities laws. The function and role performed by each such employee at the Corporation are considered through this lens. In addition to the current and former CEOs of the Corporation and the Chief Financial Officer of the Corporation, it was determined that the Corporation had only one further executive officer, being Mr. Claude Généreux, Executive Vice-President of the Corporation. The Corporation is a management and holding company whose business activities are carried out through its investments in businesses, each of which has its own management teams, resulting in the Corporation having fewer "executive officers" as defined under applicable securities laws.

Unless otherwise specified, all subsequent references to NEOs herein shall refer solely the NEOs other than the former Co-CEOs, whose cash and share-based compensation in their respective capacities as Chairman and Deputy Chairman are set at fixed levels, as specified earlier in this Management Proxy Circular at "Compensation of Directors – Retainers".

Prior to the Reorganization, the 2020 compensation of the officers of the Corporation, in such capacity and in their capacity as officers of PFC, other than Messrs. Orr and Généreux, was determined by the Human Resources Committee and the Board of the Corporation. For the period prior to the Reorganization, the 2020 compensation of Messrs. Orr and Généreux was determined by the Compensation Committee and the Board of PFC. Following the Reorganization, the 2020 compensation of all officers of the Corporation was determined by the Human Resources Committee and the Board of the Corporation.

EXECUTIVE COMPENSATION PHILOSOPHY

The Corporation's executive compensation policy and programs have been designed to support its objectives as a management and holding company (see "Executive Compensation – Compensation Discussion and Analysis – Overview" above). Unlike the Corporation's operating subsidiaries, where compensation may be tied directly to specific operational objectives, compensation at the Corporation is structured to reflect the duties of senior management to deliver long-term, sustainable value-creation, with prudent risk-aware decision-making. The main goals of the Corporation's executive compensation policy are to:

> attract, retain and motivate key executive talent;

> encourage long-term value creation while integrating environmental, social and governance considerations in decision-making;

> reward strength of leadership, management vision and an entrepreneurial approach;

> recognize success in identifying and managing risk; and

> foster a culture of collaboration and talent development.

To achieve these objectives, the Corporation's compensation programs provide opportunities for significant reward over the long-term, based on value creation, while focusing short-term incentives on the quality of the contributions of senior management as evaluated through a flexible, judgment-based process.

While these are the objectives and high-level design features for the compensation of all NEOs, the specific arrangements may differ among NEOs.

THE HUMAN RESOURCES COMMITTEE'S DECISION-MAKING PROCESS

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 that is followed to make such decisions.

Within the context of the Corporation as a management and holding company, decisions concerning incentive compensation are based on a careful appreciation by the Board and the Committee of the contributions of the senior management group to the long-term performance of the Corporation, rather than being designed as a formulaic calculation based on the achievement of short-term operational outputs.

Further, the various elements of executive compensation, the relative weighting allocated to cash compensation versus equity-based incentives such as PSUs, PDSUs and options, and the mix of annual as opposed to long-term incentives, are not quantified by the Committee on the basis of a rigid approach that integrates specific, weighted performance measures. Rather, the Committee qualitatively considers each compensation element in the context of the overall compensation mix. The Board and the Committee believe that the ability to exercise discretion and judgment is critical to ensuring that compensation reflects an assessment of the decisions and actions taken by management, as well as unexpected circumstances or events that have occurred during the year.

BENCHMARKING

To assist in determining compensation practices and outcomes for senior executive positions, the Committee reviews data from a reference group that includes 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 group is composed of Canadian and U.S.-based companies. Companies included in the reference groups are typically publicly traded, operate in the financial services industry and other sectors, have scope in terms of annual revenues comparable to those of the Corporation, and have global span of control.

The following table presents the companies included in the reference group for 2020 and notes the selection criteria for which each benchmark company was considered to be relevant:

				Geography		
Company	Large in scope	Publicly traded	Financial services industry	Canada	U.S.	Global operations
Aflac Incorporated	●	●	●		●	●
Air Canada	●	●		●		●
American Express Company	●	●	●		●	●
American International Group, Inc.	●	●	●		●	●
Bank of Montreal	●	●	●	●		●
Bombardier Inc.	●	●		●		●
Brookfield Asset Management Inc.	●	●	●	●		●
Canadian Imperial Bank of Commerce	●	●	●	●		●
Canadian National Railway Company	●	●		●		
Capital One Financial Corporation	●	●	●		●	●
CGI Group Inc.	●	●		●		●
CIGNA Corporation	●	●	●		●	●
Citigroup Inc.	●	●	●		●	●
Fairfax Financial Holdings Limited	●	●	●	●		●
GE Capital Global Holdings, LLC	●		●		●	●
George Weston Limited	●	●		●		
Honeywell International Inc.	●	●			●	●
Loews Corporation	●	●	●		●	●
Manulife Financial Corporation	●	●	●	●		●
MetLife Inc.	●	●	●		●	●
National Bank of Canada	●	●	●	●		●
Onex Corporation	●	●		●		●
Prudential Financial Inc.	●	●	●		●	●
Royal Bank of Canada	●	●	●	●		●
SNC-Lavalin Group Inc.	●	●		●		●
State Street Corporation	●	●	●		●	●
Sun Life Financial Inc.	●	●	●	●		●
The Bank of Nova Scotia	●	●	●	●		●
The Hartford Financial Services Group, Inc.	●	●	●		●	●
The Toronto-Dominion Bank	●	●	●	●		●
The Travelers Companies, Inc.	●	●	●		●	●
Thomson Reuters Corporation	●	●		●		●
U.S. Bancorp	●	●	●		●	●

While performing its review, the Committee may consider some or all of the companies in the reference group and, in particular, with respect to the total compensation of Mr. Orr as the Corporation's CEO, the Committee considered the total overall compensation provided to the CEOs of Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada, The Bank of Nova Scotia, The Toronto-Dominion Bank, Manulife Financial Corporation and Sun Life Financial Inc.

After adjusting for the relative size and scope of the Corporation and accounting for differences in market levels of compensation in the U.S. relative to Canada, the Committee considers the compensation of comparable executive roles and capabilities among companies in the reference group and aims to position the Corporation's NEO's total compensation approximately between the third quartile of the Canadian comparator companies and the median of the U.S. comparator companies with exceptional performance allowing for total compensation towards the upper range of the reference group.

EXECUTIVE COMPENSATION COMPONENTS

The Committee aims to craft compensation packages that will attract and retain the talent needed to deliver on the Corporation's objectives.

To do this, the Committee considers each NEO and reviews the responsibilities held and their capabilities and experience. It then studies the packages of executives holding comparable roles with similar credentials in companies in the reference group above. The overall level of compensation and its breakdown between components is finally determined with a view of delivering a total compensation package approximately between the third quartile of the Canadian comparator companies and the median of the U.S. comparator companies in the reference group above.

The principal components of the compensation program for the NEOs are listed in the table below. As explained above, the allocation of these components with regards to total compensation can vary depending on each NEO's role within the Corporation:

<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 level of responsibility of the incumbent</td><td>Influences annual incentive, long-term incentive, pension and some benefits</td></tr>
<tr><td>Annual Incentive (for the NEOs other than the CEO)</td><td>Reflects performance for the year, including both functional responsibilities and the identification and successful execution of strategic initiatives that have the potential to create shareholder value in the long-term</td><td>Influences pension</td></tr>
<tr><td>Long-Term Incentive (Stock Option Plan and Performance Share Unit Plan)</td><td>Rewards sustained, long-term value for shareholders created by the strategic initiatives implemented by senior management and aligns the interests of management with the interests of shareholders</td><td rowspan="5">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>Provides for competitive and appropriate replacement income upon retirement based on years of service with the Corporation</td></tr>
<tr><td>Group Benefits</td><td>Provides competitive and adequate protection in case of sickness, disability or death</td></tr>
<tr><td>Executive Perquisites</td><td>Provides a competitive set of complementary perquisites facilitating the effective performance of the incumbent's functions</td></tr>
<tr><td>Board fees of subsidiary companies as determined by the Board of the respective subsidiary companies</td><td>Provides appropriate compensation to the NEOs sitting on the Boards of major subsidiary companies</td></tr>
</table>

BASE SALARY AND ANNUAL INCENTIVE

Base salary and annual incentive compensation are paid in cash and determined annually.

Base salaries are intended to be stable over-time, with total cash compensation competitive, when positioned against the applicable reference group above.

In general, the Board has determined that the CEO is not eligible for a regular annual incentive compensation (see section "Compensation of the Chief Executive Officer" below). The Committee believes that this approach is appropriate in the context of a management holding company focused on long-term value creation.

The other NEOs receive annual incentive compensation based on the impact of their annual contributions. These contributions are assessed through a judgment-based process led by the CEO and the Committee, focused on the executive roles of the NEOs and on their specific contributions to transactions or initiatives beyond their formal roles. The process is based on an annual articulation of priorities linked to the long-term success and performance levers of the Corporation. Following the Reorganization, these levers include:

- continued excellence in governance, including value-based management, capital allocation, risk management, strategic planning and talent management;
- functional excellence in corporate finance, treasury, accounting, human resources, and legal;
- optimization of all aspects of the Corporation's operating model and costs;
- building of alternative investment management platforms and monetization of non-core standalone businesses;
- origination and realization of value creating transactions in the portfolio of companies and investments; and
- oversight of performance improvement initiatives in the portfolio of companies and investments.

In addition, all NEOs, including the CEO, are eligible for special bonuses in the context of extraordinary contributions often related to material transactions.

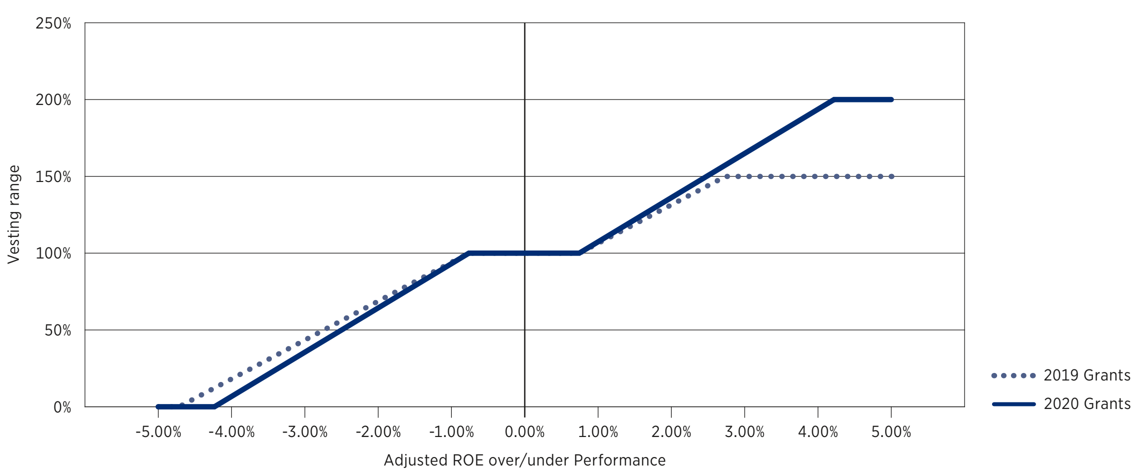
LONG-TERM INCENTIVES

The amount of compensation to be delivered through long-term incentives is determined as a proportion of the overall compensation amount determined as described above. The NEO's responsibilities, capabilities and experience and the packages of comparable executives in companies in the reference group above impact the total compensation package and its various components.

Long-term incentives may be in the form of stock option grants, PSUs and PDSUs, although the Committee periodically evaluates the intended balance amongst such awards. The Executive Stock Option Plan provides for the granting of options to the NEOs. Option grants are designed to encourage a long-term perspective on value creation. The Corporation sets option exercise prices on the basis of the then current market prices, and grants generally have a 10-year term, with vesting occurring over three and four years. The Performance Share Unit Plan provides for the grants of PSUs and PDSUs, to align the NEOs' interests with those of the Corporation's shareholders and allow for flexibility in granting additional forms of long-term incentives to complement the use of stock options. With the exception of the CEO, for whom the long-term incentive allocation is determined by the Board, the other NEOs may elect to receive up to 50 per cent of their long-term incentive grant in performance units (PSUs or PDSUs).

PSUs and PDSUs are share units, each entitling the NEO to a payment based on the value of a Subordinate Voting Share, subject to performance vesting conditions. Cash settlement and payment of vested PDSUs is deferred until the executive retires or otherwise leaves the employment of the Corporation whereas vested PSUs are settled and paid shortly after the applicable three-year performance period. Unvested PSUs and PDSUs are forfeited in the case of resignation or termination with cause. In the case of death, retirement or termination without cause, unvested PSUs and PDSUs vest at 100 per cent except that the amount is prorated for the period of active employment during the performance period in the case of termination without cause. PSUs and PDSUs granted to NEOs are subject to performance vesting conditions relating to the Corporation's adjusted return on equity ("Adjusted ROE", a non-IFRS financial measure) over a three-year period pursuant to which PSUs and PDSUs may vest within a range of 0 per cent to 200 per cent. While PSU and PDSU grants in years prior to 2020 had a vesting range of 0 per cent to 150 per cent, following completion of a benchmarking exercise involving Canadian publicly traded financial services industry companies (see the list of companies included under "Executive Compensation–Compensation Discussion and Analysis – Benchmarking" above), it was determined that the 2020 PSU and PDSU grants would have symmetric payouts with the range increased to a maximum of 200 per cent. Additionally, a more consistently sloped pay-out structure was adopted for the 2020 grants, with vesting at target set within a range requiring an Adjusted ROE above the Corporation's cost of equity, meaning that vesting below target generally involves a lack of additional value creation and vesting above target requires significant value creation through noticeable performance. The PSUs and PDSUs granted by the Corporation do not have a "floor" or minimum guaranteed level of vesting and therefore may expire without value and without any payout being made to the NEO if the specified minimum Adjusted ROE required for vesting is not met.

The following graph illustrates the ranges of Adjusted ROE achievements and the corresponding vesting applicable to the PSUs and PDSUs granted in the year. PSUs and PDSUs vest on a pro rata basis when Adjusted ROE achievement is within the pre-determined performance range. Effective since 2019, Adjusted ROE, for these purposes, is calculated as the Corporation's net earnings, excluding after-tax impact of any item that in management's judgment, including those identified by management of its publicly traded operating companies, would make the period-over-period comparison of results from operations less meaningful, and adjusted for investments and investment platforms to capture unrealized gains and losses for changes in their fair market values.



RETIREMENT ARRANGEMENTS

The Corporation offers retirement arrangements to NEOs, including the SERP and other pension benefit arrangements. The main provisions of the pension benefit arrangements are described in more detail later in this Management Proxy Circular under "Executive Compensation – Retirement Plan Benefits". The purposes of the pension benefit arrangements are to:

> offer an adequate and competitive level of retirement income to the executive officers who have spent a significant portion of their career in service with the Corporation or its subsidiaries;

> provide an incentive for the NEOs to remain in service with the Corporation and to take a long-term view to corporate decision-making, 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.

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.

SHARE PURCHASE PROGRAM

The Corporation offers a share purchase program to all employees of the Corporation, under which NEOs may purchase Subordinate Voting Shares through payroll deductions. Under the program, the Corporation makes a contribution equal to 50 per cent of the participant's contribution, up to a maximum of $30,000, which is used to purchase Subordinate Voting Shares.

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.

COMPENSATION RISK MANAGEMENT

In performing its duties, the Committee considers the implications of the possible risks associated with the Corporation's compensation policies and practices. This includes:

> identifying any such policies or practices that may encourage executive officers to take inappropriate or excessive risks;

> identifying risks arising from such policies and practices that could have a material adverse effect on the Corporation; and

> considering the possible risk implications of the Corporation's compensation policies and practices and any proposed changes to them.

The Committee, with the assistance of the Compensation Consultant, annually reviews and assesses the Corporation's compensation policies and practices in relation to such risks, including assessing such policies and practices in light of practices identified by the CSA as potentially encouraging executive officers to expose the Corporation to inappropriate or excessive risks. It is the Committee's view that the Corporation's compensation policies and practices do not encourage inappropriate or excessive risk-taking.

The Committee believes that the Corporation's status as a management and holding company, with the Chairman and the Deputy Chairman directly holding substantial equity of the Corporation, and serving as trustees of the Desmarais Family Residuary Trust as described above under "Voting Shares and Principal Holders Thereof", mitigates against policies and practices which would encourage executive officers to expose the Corporation to inappropriate or excessive risks. As disclosed above, the Corporation's executive compensation policies and programs have been designed to support the Corporation's primary objective of generating long-term value for shareholders.

Non-equity cash incentives, when paid, are not related to specific quantifiable performance targets defined prior to the beginning of the year, and are determined by reference to a number of factors, as described above. As such, the Committee believes they do not incent potentially inappropriate short-term risk-taking behaviour by executives. As also described above, a significant portion of the executive officers' compensation is in the form of PDSUs and PSUs which are subject to performance vesting conditions over a three-year period and stock options which typically have a 10-year term and vest over specified numbers of years during the options' term. In the view of the Committee, [i] as recipients only benefit under PDSUs and PSUs if performance conditions are met over a three-year period, [ii] since the payment of vested PDSUs is deferred until the executive retires or otherwise leaves the employment of the Corporation, and [iii] as options generally vest over a period of three or four years, officers are not incented to take actions which provide short-term benefits and which may expose the Corporation over a longer term to inappropriate or excessive risks. In addition, pursuant to the Corporation's minimum equity ownership requirements, members of senior management are required to hold Shares, DSUs, PDSUs and/or PSUs of the Corporation with at least a specified aggregate minimum value (see "Executive Compensation – Minimum Equity Ownership Requirement for Senior Management" below), which also mitigates against such executives taking inappropriate or excessive risks to improve short-term performance. Furthermore, under the Corporation's Policy Concerning Insider Trading, Directors and employees of the Corporation are prohibited from purchasing financial instruments designed to hedge or offset a decrease in market value of equity securities or equivalents such as DSUs, PDSUs and PSUs, the value of which is derived from equity securities granted by the Corporation as compensation (See "Equity-based Compensation Anti-hedging Policies" below). Finally, under the Clawback Policy, the Corporation may recoup an officer's incentive-based or equity-based compensation where such officer's misconduct resulted in a financial statement restatement (see "Clawback Policy" below).

Readers are also referred to the Management Proxy Circular of Lifeco dated March 8, 2021 for its disclosure entitled "Compensation Risk Management" and to the Management Proxy Circular of IGM dated February 19, 2021, for its disclosure entitled "Compensation Risk Management".

"CLAWBACK" POLICY

The Corporation adopted in March 2018 a Clawback Policy for all officers (the "Subject Officers") of the Corporation who served in such capacities during the relevant financial period. The Clawback Policy provides that, where a Subject Officer's "misconduct" caused, or partially caused, a financial statement restatement, then the Board may require disgorgement of any or all incentive-based or equity-based compensation paid, awarded or granted to, vested in favour of, or exercised or settled by such Subject Officer during or after the financial period covered by the restatement, and after the effective date of the Clawback Policy. "Misconduct" under the Clawback Policy means fraud, gross negligence or intentional misconduct; or wilful breach of the provisions of the Corporation's Code of Conduct of sufficient gravity to justify the application of the Clawback Policy.

EQUITY-BASED COMPENSATION ANTI-HEDGING POLICIES

The NEOs of the Corporation and of its wholly owned subsidiaries are subject to the Corporation's Policy Concerning Insider Trading, which prohibits each NEO from, among other things, purchasing financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities (or equivalents such as DSUs, the value of which is derived from equity securities) granted by the Corporation or any of its wholly owned subsidiaries as compensation. NEOs also may not, directly or indirectly, with respect to any security of the Corporation or a publicly traded subsidiary (as defined in the policy) of the Corporation: [i] make a "short sale" of the security; [ii] sell a "call" or buy a "put", in respect of the security; or [iii] purchase the security for the purpose of selling it at a profit within a short period of time (which the policy provides would generally, depending on the circumstances, mean the purchaser intends to hold such securities for a minimum of two years).

Under the terms of PDSUs held by NEOs and DSUs held by NEOs in their capacity as Directors of the Corporation and its publicly traded subsidiaries, the NEOs may not receive or obtain any amount for the purpose of reducing the impact, in whole or in part, of any reduction in the fair market value of the shares of the Corporation relating to such PDSUs or DSUs or, in the case of the subsidiaries, those of a related corporation (such as the Corporation).

EXECUTIVE COMPENSATION PRACTICES

What We Do:	What We Don't Do:
✓ Balanced mix of short-, medium- and long-term compensation	✗ Directors and employees are prohibited from hedging of compensation
✓ Cap on PSU and PDSU vesting payouts at 200 per cent	✗ No non-independent Directors on Human Resources Committee
✓ Significant portion of long-term incentive compensation delivered in the form of PSUs and/or PDSUs	✗ No public company CEOs on Human Resources Committee
✓ Robust Clawback Policy	✗ No automatic payouts on PSUs, as a minimum threshold level of Corporate performance required for vesting
✓ Annual shareholder advisory vote on executive compensation commencing at the 2021 Annual Meeting of Shareholders	✗ NEOs (including the former Co-CEOs) are not permitted to immediately dispose of all their equity interests upon departure from the Corporation
✓ Retention of independent compensation consultant	✗ No option re-pricing
✓ Cap on the CEO's annual pension benefit payment	
✓ A portion of each option grant vests over at least four years	

Compensation of the Chief Executive Officer

As President and CEO of the Corporation, Mr. Orr is ultimately responsible to the Corporation's Board of Directors for the development and successful execution of the Corporation's strategy. Mr. Orr focuses on certain key value drivers at each of the Corporation and its principal operating companies, with an emphasis on strategy, leadership, capital allocation, corporate culture, and risk awareness and management. As a management and holding company, the Corporation's business activities are carried out through its publicly traded operating companies and investments. As such, Mr. Orr's responsibilities extend beyond his role as President and CEO of the Corporation, through various Power Group Board of Director roles and active engagement with senior leadership across the Power Group.

2020 COMPENSATION

The year 2020 was a transitional year for Mr. Orr's compensation arrangements. In connection with the completion of the Reorganization and Mr. Orr becoming the CEO of the Corporation, the Board and the Committee considered his compensation and determined that his base salary would be maintained at the same level as he received from PFC in 2019, with awards of stock options and PSUs as described below, while a more thorough review of his overall compensation structure would be deferred to a later date.

Mr. Orr's compensation has been designed to support the mission of the Corporation to create sustained value over the long term. In that context, Mr. Orr's compensation is aligned with that of the CEOs in the applicable reference group above, with one significant difference: Mr. Orr's annual cash compensation is generally delivered solely through base salary, with no targeted annual incentive component, although he is eligible to receive special bonuses in the context of extraordinary contributions often related to material transactions. The Board and the Committee believe that this approach is appropriate in the context of a management and holding company focused on long-term sustainable value creation. Most of Mr. Orr's remaining compensation is delivered through long-term incentives. Mr. Orr is also subject to a minimum shareholding requirement of $12,500,000, which further promotes the alignment of his interests with those of the shareholders.

BASE SALARY

Mr. Orr's base salary for 2020 was maintained at the same level as 2019, being $4,776,000.

ANNUAL INCENTIVES

Consistent with PFC's past compensation decisions, Mr. Orr's compensation for 2020 did not include an annual incentive component.

LONG-TERM INCENTIVES

The long-term incentive allocation of the CEO is determined by the Board. The Board believes in rewarding the CEO for focussing on long-term value creation for shareholders primarily through grants of share-based compensation.

The Board approved a special grant of stock options to Mr. Orr for 2020 upon his appointment as CEO of the Corporation, the completion of the Reorganization and the launching of a new corporate strategy for the Corporation. As a special grant, the grant date value of such award was $6,067,270, representing a significant increase as compared to 2019 (and significantly higher than his subsequent grant in 2021). The objectives of the special grant were to:

> reward the successful implementation of the Corporation's new corporate strategy and achievement of its long-term value creation goals following the Reorganization;

> further align the CEO's interests with those of shareholders to ensure the success of the Corporation's post-Reorganization transition period; and

> concurrently emphasize retention of the CEO during such period.

Given the size of this option grant, the Board determined that such options would vest over a longer than typical period as to one-third after three years, one-third after four years and the remaining one-third after five years.

PSUs granted to the CEO in 2020 had a grant date fair value of $3,034,062 and are subject to performance vesting conditions relating to the Corporation's Adjusted ROE (a non-IFRS financial measure) over a three-year period pursuant to which PSUs may vest within a range of 0 per cent to 200 per cent.

RETIREMENT ARRANGEMENTS

Although Mr. Orr would have had accrued annual pension benefits of approximately $2,600,000 upon reaching full service entitlements during 2021 (which amount would have been expected to continue to increase if Mr. Orr's salary increased over time), the Board approved amendments to Mr. Orr's supplementary pension benefit arrangement, with effect as of December 31, 2020, to reduce and cap the total pension accrual to $2,500,000 of annual pension benefits at retirement.

COMPENSATION LOOK-BACK ANALYSIS

Through Mr. Orr's previous role as CEO of PFC, as well as his new role as CEO of the Corporation, the Board considers that Mr. Orr's total compensation has been well aligned with shareholders' interests, as demonstrated by the following five-year look back pay-for-performance analysis. This analysis shows that, despite a positive return for shareholders over the last five years, Mr. Orr's compensation has been adversely impacted as a result of a substantial portion of the options granted to Mr. Orr in the prior five years having an exercise price which is greater than the market price of the underlying shares as at December 31, 2020:

		CEO	Value of $100		
Year	Total Direct Compensation Awarded (000s)[1]	Current Value (Realizable) as of December 31, 2020 (000s)[2]	Periods ended December 31	CEO[3]	Shareholder[4]
2016	$9,610	$7,503	2015 to 2020	$78	$134
2017	$10,600	$9,202	2016 to 2020	$87	$123
2018	$10,587	$8,414	2017 to 2020	$79	$109
2019	$10,832	$8,381	2018 to 2020	$77	$137
2020	$14,468	$8,140	2019 to 2020	$56	$95
			Average	**$76**	**$120**

[1] Includes salary, board fees and value of long-term incentives (options, PSUs and PDSUs) on the date of grant.

[2] Includes salary, board fees, value of PSUs and PDSUs (inclusive of dividend equivalents) at the earlier of the payout date or at December 31, 2020 (based on an assumption of 100 per cent vesting for unvested awards) and "in-the-money" value of options based on the share price as of December 31, 2020.

[3] Represents the realized and realizable value achieved at the end of the period for $100 awarded in direct compensation.

[4] Represents the value of $100 investment in shares made on the first trading day of the period indicated, including reinvested dividends.

2021 COMPENSATION STRUCTURE

In early 2021, the Committee undertook an extensive review of Mr. Orr's compensation package with a view to further enhancing the alignment of his compensation with the long-term performance of the Corporation, reflecting competitive practices while providing a similar level of total compensation to which Mr. Orr was entitled before his appointment as CEO of the Corporation. The Committee viewed 2020 as a transitional period at the Corporation and looked to establish the CEO's total compensation package for 2021 in a manner consistent with the Corporation's objectives.

Therefore, the Board approved changes to the compensation structure of the CEO for 2021, which are intended to reduce Mr. Orr's cash compensation and increase his "at-risk" long-term incentive compensation to further promote a pay-for-performance philosophy. As such, the Board has approved the following compensation changes for 2021:

> base salary reduced by approximately 6 per cent to $4,500,000;

> as before, no expectation of a regular award of short-term cash incentive compensation;

> greater weight on long-term incentives, composed of PSUs representing two-thirds of future grants with the remaining one-third being in stock options;

> reduce and cap annual pension payments; and

> maintenance of minimum ownership requirement of $12,500,000 for two years following termination of employment, including retirement.

The following table illustrates the total compensation mix of Mr. Orr's 2019 compensation in his previous role as CEO of PFC compared with the 2021 total compensation mix in his new role as CEO of the Corporation:

	2019	2021
Base Salary	37%	35%
Annual Incentives	–	–
Pension Value	15%	–
Board Fees	3%	4%
Total Cash	**55%**	**39%**
Stock Options	20%	19%
DSUs	5%	3%
PSUs	20%	39%
Total At-Risk	**45%**	**61%**

Compensation of the Other NEOs

When determining the actual compensation of each of the other NEOs, the Committee takes into account several factors, including individual and corporate performance, the experience and competencies of the NEO and the ability of the executive to execute the Corporation's strategies. The Corporation must count on the skillset, expertise and experience of its key leaders to support and contribute to the successful execution of its value-creation strategy.

2020 COMPENSATION

In late 2019, the Committee reviewed the total compensation of Mr. Tretiak and the Compensation Committee of PFC reviewed the total compensation of Mr. Généreux, in each case to ensure alignment with relevant market practices and to maintain the pay-for-performance philosophy of their respective compensation packages. The following table summarizes the changes made to the total direct compensation of each executive at the beginning of 2020:

NEO	Base Salary ($'000)		Short-term Incentive (% of Salary at Target)		Long-term Incentive (% of Salary at Target)		Total Direct Compensation ($'000)	
	2020	2019	2020	2019	2020	2019	2020	2019
Gregory D. Tretiak Executive Vice-President and Chief Financial Officer	750.0	630.5	200%	175%	185%[1]	203%	3,637	3,014
Claude Généreux Executive Vice-President	807.7	788.0	200%	200%	185%[1]	201%	3,917	3,948

[1] Decrease due to lower Black-Scholes factor in 2020.

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 (including, where applicable, compensation received by the NEO from publicly traded subsidiaries of the Corporation in such NEO's capacity as a Director of the subsidiary, which compensation is determined solely by the Board or the Compensation/Human Resources Committee of such subsidiaries and not by the Committee) to ensure it remains aligned with the Corporation's total compensation policy.

The increase in Mr. Tretiak's base salary (19.0 per cent) in 2020 reflects an adjustment determined by the Committee to be reasonable in order to align Mr. Tretiak's base salary with a competitive compensation for comparable roles at the applicable companies in the reference group above, taking into account Mr. Tretiak's experience and skills. The Committee believes the increase in Mr. Généreux's base salary (2.5 per cent) was in line with general increases granted in the market at such time and with market competitive salaries for comparable positions, taking into account the total compensation for comparable positions at the applicable companies in the reference group above.

ANNUAL INCENTIVES

As described in the "Executive Compensation Philosophy" section above, in awarding annual incentives to Messrs. Tretiak and Généreux, the Committee reviewed their performance taking into account both their functional responsibilities and specific contributions to the following areas:

> planning and execution of the Reorganization, the potential financial benefits of which required significant strategizing and coordination with a particular focus on risk management;

> assistance to the Power group of companies in evaluating the impact of the pandemic on operations and in developing strategies and action plans for immediate intervention, including business continuity and employee health and safety in order to maintain employee engagement and retention;

> supporting and coordinating with companies in the Power Group in their goal to create and maintain sustainable, resilient and financially strong businesses;

> oversight of significant financial transactions and organic initiatives by operating company subsidiaries;

> oversight of efforts to pivot private investments into alternative asset investment management platforms with related monetization of non-core investments; and

> leadership of other transformation efforts of the Corporation following the Reorganization.

Objectives for each NEO was set at the beginning of 2020, and judgment was applied by the Committee to determine the value of their contributions, while also recognizing that priorities change over the course of a year, with responding to COVID-19 being a case in point.

In 2020, the Committee believed it was appropriate that Messrs. Tretiak and Généreux receive a higher level of aggregate incentive compensation in recognition of, among other things, their contributions to the completion of the Reorganization and their oversight of other value-creation transactions and initiatives undertaken by the Power Group, including with respect to the progress of the Corporation's value creation agenda at the publicly traded operating companies, alternative asset investment platforms and standalone businesses. Such compensation therefore included further amounts in the form of additional incentive payments, beyond such NEOs annual incentive payments. Accordingly, in 2020, Messrs. Tretiak and Généreux each received $1,800,000 in annual incentives and $800,000 and $600,000, respectively, in additional incentive payments.

LONG-TERM INCENTIVES

After the Corporation successfully completed the Reorganization in February 2020, the Board and the Committee approved the granting of long-term incentive awards in the form of a special three-year grant of stock options to Messrs. Tretiak and Généreux. The purpose of such awards, along with a longer vesting schedule, was to recognize the contribution and successful execution of the Reorganization and provide a strong incentive for delivering on the strategic financial benefits expected to result therefrom. The spreading of the vesting period is intended to allow for a longer incentive period to target the commencement of vesting following the previously disclosed value-creation process being undertaken by the Corporation (commencing with the Reorganization).

The size of the special option grants to Messrs. Tretiak and Généreux in 2020 was the equivalent of three times the normal annual grant provided under the Corporation executive compensation policy for such NEOs (see "Executive Compensation – Compensation of the Other NEOs – Summary Compensation Table – Presented with 3-year Option Grant Annualized"). In that context, there is currently no intention to grant stock options to such NEOs for the next two years.

SUMMARY COMPENSATION TABLE – PRESENTED WITH 3-YEAR OPTION GRANT ANNUALIZED

Pursuant to applicable securities laws, the three-year allotment of options in 2020 to Messrs. Tretiak and Généreux results in a larger compensation value for 2020 (see "Summary Compensation Table") as the Corporation is required to state, for the year of grant, the entire grant date fair value of options awarded during the year, irrespective of whether part or all of the award relates to multiple financial years, and irrespective of whether this actually reflects the compensation value which the Board intended to provide to the NEO in a given year. To reflect a better and more consistent comparison, the following table restates the summary compensation table showing the annualized value of the three-year allotment of options granted to Messrs. Tretiak and Généreux in 2020:[1]

Name and principal position held as at December 31, 2020	Year	Salary ('000) [$]	Share-based Awards ('000) [$]	Option-based Awards ('000) [$]	Annual Incentive plans ('000) [$]	Additional Incentive Payments ('000) [$]	Pension Value ('000) [$]	All Other Compensation ('000) [$]	Total Compensation ('000) [$]	Total Compensation Year over Year Increase
Gregory D. Tretiak Executive Vice-President and Chief Financial Officer	(annualized) 2020	750	687	675	1,800	800	878	398	5,988	-1.8%
	2019	631	416	851	1,500	500	1,776	425	6,099	
Claude Généreux Executive Vice-President	(annualized) 2020	808	1,228	485	1,800	600	1,322	387	6,630	2.9%
	2019	788	1,204	600	2,125	0	1,319	405	6,441	

[1] All the figures in the table corresponds to the figures in the Summary Compensation Table, except for the 2020 option-based awards which represent a third of the three-year option grant value.

PSUs and PDSUs granted to the NEOs in 2020 are subject to performance vesting conditions relating to the Corporation's Adjusted ROE (a non-IFRS financial measure) over a three-year period pursuant to which PSUs and PDSUs may vest within a range of 0 per cent to 200 per cent.

Impact of COVID-19

Shortly after the completion of the Reorganization, the World Health Organization declared the COVID-19 outbreak, a global pandemic which had a severe impact on the global economy. The pandemic caused significant fluctuations in global markets and had unpredictable and prolonged impacts on the businesses in which the Corporation holds long-term investments. Most notably, the pandemic disrupted and impacted on various significant stakeholders of the Corporation, including its employees, communities, principal operating company subsidiaries' customers, and shareholders, among others. The pandemic also had a disrupting effect on the Corporation's financial results, including a substantial drop in share price. In light of the broad impacts of the pandemic, the Corporation undertook a review of its compensation practices to ensure they continued to be aligned with the Corporation's broader objectives within this context. Pursuant to this review, the Board and the Committee determined that the Corporation's executive compensation practices continued to serve the long-term interests of the Corporation and remained aligned with the Corporation's broader objectives.

Minimum Equity Ownership Requirement for Senior Management

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, DSUs, PDSUs and/or PSUs of the Corporation with at least an aggregate minimum value determined as follows:

	Minimum equity ownership requirement (% of annual base salary, except for the President and Chief Executive Officer)	Equity Ownership as at March 17, 2021 (% of annual base salary, except for the President and Chief Executive Officer)	Holding period following departure from the Corporation
R. Jeffrey Orr President and Chief Executive Officer[1,2]	$12,500,000	$41,867,144	2 years
Gregory D. Tretiak Executive Vice-President and Chief Financial Officer[1]	300%	727.2%	1 year
Claude Généreux Executive Vice-President[1]	300%	829.5%	1 year
Senior Vice-Presidents[1]	300%	–	–
Vice-Presidents[1]	100%	–	–

[1] Determined based on the higher of the market value or the acquisition value of the Shares (and/or DSUs, PDSUs and PSUs).

[2] Effective February 13, 2020, Mr. R. Jeffrey Orr was appointed as President and Chief Executive Officer of the Corporation. On March 16, 2020, the Human Resources Committee set his minimum ownership requirement at $12,500,000, being the minimum ownership requirement that was applicable in his role as Chief Executive Officer of PFC.

All members of the Corporation's senior management meet, or are on track to meet, the Corporation's equity ownership requirement.

Members of the Corporation's senior management that have not attained the minimum equity ownership requirement within the requisite time period must thereafter elect to receive (failing which, they will be deemed to have elected to receive) 50 per cent of any annual long-term incentive grant made to them by the Corporation in the form of PDSUs and/or PSUs (at their discretion), in accordance with the terms of the Corporation's Performance Share Unit Plan.

Each of Messrs. Paul Desmarais, Jr. and André Desmarais is required to continue to meet the minimum equity ownership requirement of 700 per cent of their annual base salary that was applicable to them as Co-Chief Executive Officers for a period of two years following their retirement from the position of Co-CEOs on February 13, 2020. The applicable minimum equity ownership requirement is calculated based on the respective former Co-CEO's annual base salary immediately prior to retirement.

Each NEO who retires or resigns from their position with the Corporation, shall for a period of one year (or two years in the case of the CEO) following such departure, continue to meet the minimum equity ownership requirement as is applicable immediately prior to his/her retirement or resignation. In such instances, the applicable minimum equity ownership requirement will be calculated based on the individual's annualized base salary for the year during which they retire or resign.

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, during the financial years indicated.

Name and principal position held as at December 31, 2020	Year	Salary [$]	Share-based awards[1] [$]	Option-based awards[2] [$]	Annual Incentive plans [$]	Pension value[3] [$]	All other compensation[4] [$]	Total compensation [$]
R. Jeffrey Orr[5]	2020	4,776,000	3,034,062	6,067,270[6]	–	(1,413,000)[7]	590,589	13,054,921
President and Chief Executive Officer	2019	4,776,000	2,890,015	2,546,248	–	1,861,000	619,534	12,692,797
	2018	4,661,000	2,824,370	2,546,250	–	2,150,000	555,452	12,737,072
Paul Desmarais, Jr.[8]	2020	371,635	393,750	1,694,509[6]	–	(2,000)[9]	429,204	2,887,098
Chairman and Former Co-Chief Executive Officer	2019	1,250,000	343,750	4,543,694	2,000,000	54,000	583,535	8,774,979
	2018	1,225,000	278,125	4,451,260	1,500,000	(732,000)	507,249	7,229,634
André Desmarais[8]	2020	371,635	393,750	1,694,509[6]	–	(2,000)[9]	413,843	2,871,737
Deputy Chairman and Former President and	2019	1,250,000	343,750	4,543,694	2,000,000	(287,000)	573,534	8,423,978
Co-Chief Executive Officer	2018	1,225,000	277,513	4,451,260	1,500,000	(336,000)	642,638	7,760,411
Gregory D. Tretiak	2020	750,000	687,496	2,025,006[6]	2,600,000[10]	878,000[11]	397,556	7,338,058
Executive Vice-President and Chief Financial Officer	2019	630,500	415,777	851,175	2,000,000	1,776,000	425,200	6,098,652
	2018	615,000	921,865	476,622	1,200,000	1,067,000	383,075	4,663,562
Claude Généreux[12]	2020	807,700	1,228,369	1,453,864[6]	2,400,000[10]	1,322,000[13]	386,722	7,598,955
Executive Vice-President	2019	788,000	1,203,743	600,850	2,125,000	1,319,000	404,544	6,441,137
	2018	769,000	1,114,379	595,308	1,850,000	1,132,000	360,505	5,821,192

[1] Share-based awards in 2020 include 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 Subordinate Voting Shares in their capacity as Directors of the Corporation. See "Compensation of Directors – Deferred Share Unit Plan and Directors Share Purchase Plan" above. These amounts were $96,875 for Mr. Orr, $153,125 for Mr. Paul Desmarais, Jr. and $153,125 for Mr. André Desmarais. DSU awards are granted by the Corporation to its Directors, as applicable, on the first day of each fiscal quarter and the grant date fair value of a DSU award is equal to the average closing price on the TSX of the Subordinate Voting Shares on the last five trading days of the preceding fiscal quarter. The grant date fair value of a DSP award is equal to the aggregate price of the Subordinate Voting Shares so acquired in the market. Share-based awards in 2020 also include the portion of the annual board retainer that, under plans of the Corporation's subsidiaries that are similar to the DSU Plan and DSP Plan of the Corporation, is required to be paid to NEOs in DSUs or shares in their capacity as Directors of the Corporation's subsidiaries. See Lifeco's Management Proxy Circular dated March 8, 2021, and IGM's Management Proxy Circular dated February 19, 2021, as applicable, each of which is available under the applicable issuer's SEDAR profile at www.sedar.com. Compensation received by NEOs in their capacity as Directors of publicly traded subsidiaries of the Corporation (including at PFC) was determined solely by the Board or Human Resources/Compensation Committee of such subsidiaries and not by the Board or Human Resources Committee of the Corporation. These amounts were $240,625 for Mr. Orr, $240,625 for Mr. Paul Desmarais, Jr., $240,625 for Mr. André Desmarais, $218,750 for Mr. Tretiak and $218,750 for Mr. Généreux. In addition, share-based awards in 2020 include PSUs granted to Mr. Orr on February 21, 2020 having grant date fair values of $2,696,562 and PDSUs granted by the Corporation to Messrs. Tretiak and Généreux on February 21, 2020 having grant date fair values of $468,746 and $1,009,619, respectively. Other than Messrs. Orr, Tretiak and Généreux, no other NEOs received PDSU or PSU grants from the Corporation in 2020. The grant date fair value of a PDSU and PSU is equal to the average of the high and low prices on the TSX of the Subordinate Voting Shares on the preceding trading day. The PSUs and PDSUs are subject to performance vesting conditions over a three-year period pursuant to which PSUs and PDSUs may vest within a range of 0 per cent to 200 per cent. The aggregate grant date fair value for the PSUs and PDSUs reflects the amount of the grant intended for compensation purposes based on an assumption of 100 per cent vesting. This amount is the same as the accounting fair value.

[2] In 2020, the Corporation awarded options to the Chairman and the Deputy Chairman, in their former capacity as Co-Chief Executive Officers of the Corporation, with a shorter term than other options typically awarded to NEOs as it believes this appropriately recognizes the contributions of the Chairman and the Deputy Chairman to the Reorganization and the Corporation's pursuit of its new strategy and allows the Chairman and the Deputy Chairman to realize the benefit of such contribution within a reasonable period of time following their retirement as NEOs of the Corporation. Such options have a 5-year term (but still vest over 4 years at the rate of 50 per cent after 3 years and the remaining 50 per cent after 4 years).

[3] Represents, for Mr. Orr, his Supplementary Executive Retirement Plan ("Orr SERP"), which reflects service with PFC and from and after February 13, 2020, with the Corporation, and the portion of the compensatory value of the annual pension benefits under the Corporation's basic pension plan. Represents, for all other NEOs, the portion of the compensatory value of the annual pension benefits under the Corporation's basic pension plan, the SERP, Mr. Tretiak's pension benefit arrangement and Mr. Généreux's pension benefit arrangement, as applicable.

[4] 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. Amounts for 2020 include the following fees: Mr. Orr: $590,589 (including $96,875 for service on the Corporation's board); Mr. Paul Desmarais, Jr.: $423,454 (including $25,625 for service on the Corporation's board); Mr. André Desmarais: $408,093 (including $23,125 for service on the Corporation's board); Mr. Tretiak: $374,290; and Mr. Généreux: $366,529. This compensation also includes the amounts contributed by the Corporation (and, prior to the Reorganization, by PFC) 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 (and, prior to the Reorganization, PFC). 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 in the table above. The dedicated annual board retainer is more fully described above in this Management Proxy Circular. Compensation received by NEOs in their capacity as Directors of publicly traded subsidiaries of the Corporation (including PFC) is determined solely by the Board or the Human Resources Committee/Compensation Committee of such subsidiaries, as applicable, and not by the Board or the Human Resources Committee of the Corporation. See Lifeco's Management Proxy Circular dated March 8, 2021 and IGM's Management Proxy Circular dated February 19, 2021, as applicable, each of which is available under the applicable issuer's SEDAR profile at www.sedar.com.

[5] As of February 13, 2020, following the Reorganization, Mr. Orr was appointed President and Chief Executive Officer of the Corporation. Prior to the Reorganization, Mr. Orr served as President and Chief Executive Officer of PFC, but was not an executive officer of the Corporation and did not receive compensation from the Corporation other than in respect of his service on the Corporation's Board of Directors (see Notes [1] and [4]). Accordingly, the amounts disclosed for 2019 and 2018 were determined by PFC, paid or credited to Mr. Orr by PFC and such amounts were not reimbursed by the Corporation to PFC.

[6] Amount represents the entire grant date fair value of options awarded to each NEO on February 21, 2020. The grant date fair value for options awarded by the Corporation to each NEO in 2020 was calculated using a standardized methodology that reflects a fair and reasonable estimation of the options' compensation value that the Human Resources Committee or the Board, as applicable, intended to provide to the NEOs. The use of an adjusted factor methodology is also employed by several companies in the reference group for competitive total compensation comparison purposes for similar positions. The fair value of such option grants was calculated using a normalized Black-Scholes factor based on forward-looking assumptions considered reasonable for the Corporation given the current economic context and the future economic outlook as of the applicable grant date. The normalized Black-Scholes factor used to calculate the fair value of options awarded to NEOs was 12 per cent (11 per cent for Messrs. Paul Desmarais, Jr. and André Desmarais) of the exercise price based on the following assumptions: an average volatility of 20 per cent, a dividend yield of 4.0 per cent, a risk-free interest rate of 2.0 per cent and an expected life of 10 years (5 years for Messrs. Paul Desmarais, Jr. and André Desmarais). For accounting purposes, the fair value of the options granted to each of Messrs. Orr, Tretiak and Généreux was estimated with the Black-Scholes model using assumptions that are different than those used for compensation purposes: a 8.97-year average volatility of 16.73 per cent at the date of grant, a three-year dividend yield of 5.07 per cent, and a risk-free interest rate of 1.28 per cent, being equal to the implied yield of Government of Canada bonds with a term equal to the expected life of the options on date of grant. For accounting purposes, the fair value of the options granted to each of Messrs. Paul Desmarais, Jr. and André Desmarais was estimated with the Black-Scholes model using assumptions that are different than those used for compensation purposes: a five-year average volatility of 16.59 per cent at the date of grant, a three -year dividend yield of 5.07 per cent, and a risk-free interest rate of 1.29 per cent, being equal to the implied yield of Government of Canada bonds with a term equal to the expected life of the options on date of grant. The compensation value of the options granted to Mr. Orr was $6,067,270, being $3,290,555 greater than the Corporation's accounting value of $2,776,715. The compensation value of the options granted to each of Messrs. Paul Desmarais, Jr. and André Desmarais was $1,694,509, being $754,009 greater than the Corporation's accounting value of $940,500. The compensation value of the options granted to Mr. Tretiak was $2,025,006, being $1,098,252 greater than the Corporation's accounting value of $926,754. The compensation value of the options granted to Mr. Généreux was $1,453,864, being $788,496 greater than the Corporation's accounting value of $665,368. For further information on the three-year allotment of options to Messrs. Tretiak and Généreux, see "– Annualized Value of 2020 Option Grant to Certain NEOs".

[7] Mr. Orr participates in the Corporation's basic pension plan and has the Orr SERP. See "Retirement Plan Benefits". The negative pension value for 2020 is the result of the service cost for the year of $2,372,000, minus $3,785,000 representing the reduction in the accrued obligation resulting from the amendment to the Orr SERP capping his annual benefit at $2,500,000 effective December 31, 2020.

[8] As of February 13, 2020, following the Reorganization, Messrs. Paul Desmarais, Jr. and André Desmarais retired as Co-Chief Executive Officers of the Corporation; they continue to serve as Chairman and Deputy Chairman, respectively, of the Corporation's Board of Directors. Prior to the Reorganization, the base salaries of Messrs. Paul Desmarais, Jr. and André Desmarais, in their respective capacities as, among other roles, Co-CEOs of the Corporation were set at $1,250,000, on an annualized basis.

[9] Messrs. Paul Desmarais, Jr. and André Desmarais have attained the maximum pension accrual. As their retirement was already anticipated at the beginning of 2020 and that no additional benefits were granted on retirement, their compensatory change for the 2020 accrued benefit obligation results in an almost nil amount.

[10] Amounts represent, in respect of Mr. Tretiak: $1,800,000 of annual incentives and $800,000 in additional incentive payments; and in respect of Mr. Généreux: $1,800,000 of annual incentives and $600,000 in additional incentive payments. See "Annualized Value of 2020 Option Grant to Certain NEOs" and "Executive Compensation – Compensation of the Other NEOs – 2020 Compensation – Annual Incentives".

[11] Mr. Tretiak participates in the Corporation's basic pension plan and has a pension benefit arrangement with the Corporation. See "Retirement Plan Benefits".

[12] Prior to the Reorganization, Mr. Généreux's compensation was determined by PFC.

[13] Mr. Généreux participates in the Corporation's basic pension plan and has a pension benefit arrangement with the Corporation. See "Retirement Plan Benefits" below.

Incentive Plan Awards

The table below shows information for each NEO, for all unexercised options, DSP Plan shares and DSUs of the Corporation and, except to the extent indicated in Note [10], its subsidiaries held by NEOs (as well as PSUs and PDSUs, as applicable, of the Corporation and of PFC in the case of Messrs. Orr, Tretiak and Généreux) as at December 31, 2020. The NEOs indicated in the table below are the NEOs of the Corporation as of December 31, 2020.

OPTION AWARDS[1]								SHARE-BASED AWARDS		
	Number of securities underlying unexercised options [#]		Option exercise price [$]	Option expiration date	Value of unexercised in-the-money options[2] [$]		Value of options exercised during the year [$]	Number of shares or units of shares that have not vested[3] [#]	Market or payout value of share-based awards that have not vested[4] [$]	Market or payout value of vested share-based awards not paid out or distributed[5,6] [$]
Name	Vested	Unvested			Vested	Unvested[7]				
R. Jeffrey Orr		1,476,976[8]	34.2325	February 20, 2030		Nil	1,206,111	273,573	7,962,616	24,259,546
		545,485	31.12	April 16, 2029		Nil				
		560,848	30.27	March 27, 2028		Nil				
	264,171	264,171	33.68	March 28, 2027	Nil	Nil				
	394,828	98,707	30.03	February 28, 2026	Nil	Nil				
	454,071		31.79	August 11, 2025	Nil					
	592,072		32.78	August 12, 2024	Nil					
	737,848		31.03	August 7, 2023	Nil					
	628,241		23.88	August 8, 2022	3,361,089					
	780,234		25.12	August 23, 2021	3,206,762					
					6,567,851	Nil				
					Total: 6,567,851					
Paul Desmarais, Jr.[9]		446,020	31.835	April 16, 2029		Nil	Nil	Nil	Nil	10,426,504
		486,700	31.12	April 16, 2029		Nil				
		487,991	28.505	March 27, 2028		353,793				
		490,227	30.27	March 27, 2028		Nil				
	157,576	157,576	31.475	March 28, 2027	Nil	Nil				
	176,756	176,756	33.68	March 28, 2027	Nil	Nil				
	339,486		29.725	March 28, 2026	Nil					
	394,705		30.79	March 28, 2026	Nil					
	350,000		33.815	March 22, 2025	Nil					
	324,041		36.53	March 22, 2025	Nil					
		450,000[8]	34.2325	February 20, 2025		Nil				
	450,000		29.905	May 20, 2024	Nil					
	415,469		32.40	May 20, 2024	Nil					
	1,020,000		28.24	May 20, 2023	1,009,800					
	975,000		27.245	March 18, 2022	1,935,375					
	450,000		27.60	May 17, 2021	733,500					
					3,678,675	353,793				
					Total: 4,032,468					

* Footnotes to this table appear on page 45.

OPTION AWARDS[1]								SHARE-BASED AWARDS		
	Number of securities underlying unexercised options [#]		Option exercise price [$]	Option expiration date	Value of unexercised in-the-money options[2] [$]		Value of options exercised during the year [$]	Number of shares or units of shares that have not vested[3] [#]	Market or payout value of share-based awards that have not vested[4] [$]	Market or payout value of vested share-based awards not paid out or distributed[5,6] [$]
Name	Vested	Unvested			Vested	Unvested[7]				
André Desmarais[9]		446,020	31.835	April 16, 2029		Nil	Nil	Nil	Nil	14,923,143
		486,700	31.12	April 16, 2029		Nil				
		487,991	28.505	March 27, 2028		353,793				
		490,227	30.27	March 27, 2028		Nil				
	157,576	157,576	31.475	March 28, 2027	Nil	Nil				
	176,756	176,756	33.68	March 28, 2027	Nil	Nil				
	339,486		29.725	March 28, 2026	Nil					
	394,705		30.79	March 28, 2026	Nil					
	350,000		33.815	March 22, 2025	Nil					
	324,041		36.53	March 22, 2025	Nil					
		450,000[8]	34.2325	February 20, 2025		Nil				
	450,000		29.905	May 20, 2024	Nil					
	415,469		32.40	May 20, 2024	Nil					
	1,020,000		28.24	May 20, 2023	1,009,800					
	975,000		27.245	March 18, 2022	1,935,375					
	450,000		27.60	May 17, 2021	733,500					
					3,678,675	353,793				
					Total: 4,032,468					
Gregory D. Tretiak[10]		492,954[8]	34.2325	February 20, 2030		Nil	Nil	52,457	1,526,784	4,350,112
		74,270	31.835	April 16, 2029		Nil				
		101,304	31.12	April 16, 2029		Nil				
		53,938	28.505	March 27, 2028		39,105				
		50,797	30.27	March 27, 2028		Nil				
	23,829	23,828	31.475	March 28, 2027	Nil	Nil				
	22,274	22,274	33.68	March 28, 2027	Nil	Nil				
	47,168		29.31	February 28, 2026	Nil					
	46,046		30.03	February 28, 2026	Nil					
	39,849		33.815	March 22, 2025	Nil					
	36,893		36.53	March 22, 2025	Nil					
	43,973		29.905	May 20, 2024	Nil					
	40,598		32.40	May 20, 2024	Nil					
	34,061		28.24	May 20, 2023	33,720					
	43,949		29.19	May 20, 2023	1,758					
	52,690		23.725	May 22, 2022	290,058					
	50,274		24.87	May 22, 2022	219,195					
					544,731	39,105				
					Total: 583,836					
Claude Généreux		353,919[8]	34.2325	February 20, 2030		Nil	Nil	104,342	3,036,978	4,299,662
		30,941	31.835	April 16, 2029		Nil				
		94,957	31.12	April 16, 2029		Nil				
		65,120	28.505	March 27, 2028		47,212				
		65,706	30.27	March 27, 2028		Nil				
	29,786	29,785	31.475	March 28, 2027	Nil	Nil				
	27,843	27,842	33.68	March 28, 2027	Nil	Nil				
	23,627		29.31	February 28, 2026	Nil					
	23,065		30.03	February 28, 2026	Nil					
	5,988		33.815	March 22, 2025	Nil					
	49,899		36.53	March 22, 2025	Nil					
	37,142[11]		33.655	March 1, 2025	Nil					
	318,267[11]		35.35	March 1, 2025	Nil					
					Nil	47,212				
					Total: 47,212					

* Footnotes to this table appear on page 45.

[1] On February 13, 2020, in connection with the Reorganization, the Corporation assumed the PFC's Employee Stock Option Plan and each PFC option then outstanding was exchanged for an option entitling the holder thereof to purchase Subordinate Voting Shares (see "Equity Compensation Plans – Power Financial Employee Stock Option Plan (assumed by the Corporation)"). The number of Subordinate Voting Shares that each holder of a PFC option became entitled to purchase under such options is such number of Subordinate Voting Shares as is equal to the product obtained when (i) 1.05 is multiplied by (ii) the number of PFC Common Shares subject to such option immediately prior to the Reorganization (rounded down to the nearest whole number of Subordinate Voting Shares). The exercise price per Subordinate Voting Share for each holder of a PFC option became the quotient obtained when the exercise price per PFC Common Share payable under such option immediately prior to the Reorganization is divided by 1.05 (rounded up to the nearest whole cent).

[2] Calculated based on December 31, 2020 closing price on the TSX of $29.23 per Subordinate Voting Share. In accordance with CSA requirements, the total amount includes values for unvested (non-exercisable) options as well as vested (exercisable) options.

[3] Represents the number of PDSUs held by Messrs. Orr, Tretiak and Généreux and PSUs held by Mr. Orr, in each case, that were not vested as at December 31, 2020.

[4] Represents unvested PDSUs held by Messrs. Orr, Tretiak and Généreux and PSUs held by Mr. Orr. The fair value of each of a PDSU and a PSU is equal to the five-day average closing price on the TSX of Subordinate Voting Shares, immediately preceding December 31, 2020, being $29.106 per Subordinate Voting Share. The PDSUs and PSUs awarded by the Corporation in 2020 are subject to performance vesting conditions over a three-year period pursuant to which the PDSUs and PSUs, as applicable, may vest within a range of 0 per cent to 200 per cent (0 per cent to 150 per cent for PSUs granted prior to 2020). The amount shown assumes 100 per cent vesting, but as such PDSUs and PSUs are unvested and/or, in the case of PDSUs, are not payable until the retirement or other termination of employment of the NEO, the amount shown is not available to the NEOs. Following the Reorganization, the terms of the outstanding PDSUs previously granted by PFC were modified to (i) equitably adjust the performance vesting conditions attached to any PDSUs to give effect to the Reorganization; (ii) adjust the number of PDSUs by multiplying each award by 1.05; and (iii) substitute PFC Common Shares with Subordinate Voting Shares as the underlying security, but subject to any adjustment required to that award by the relevant governing plan documentation or grant documentation as a result of the Reorganization.

[5] This amount includes the value of DSP Plan shares and DSUs received in respect of the portion of annual retainers that, under the DSU Plan and DSP Plan of the Corporation, and similar plans of the Corporation's subsidiaries (including PFC), Directors are required to be paid in DSUs or in shares. This amount includes the fees that the NEOs, in their capacity as Directors of the Corporation or its subsidiaries (including PFC), elected to receive as DSUs or shares. This amount also includes DSUs granted by the Corporation and PFC to Messrs. Tretiak and Généreux. The amount is calculated based on the following December 31, 2020 closing prices on the TSX: PCC Subordinate Voting Shares: $29.23, Lifeco Common Shares: $30.35 and IGM Common Shares: $34.51. Following the Reorganization, the terms of the outstanding DSUs previously granted by PFC were modified to (i) adjust the number of DSUs by multiplying each award by 1.05; and (ii) substitute PFC Common Shares with Subordinate Voting Shares as the underlying security, but subject to any adjustment required to that award by the relevant governing plan documentation or grant documentation as a result of the Reorganization.

[6] DSUs are payable at the time a Director's membership on the Board is terminated (provided the Director is not then a director, officer or employee of the Corporation or an affiliate of the Corporation), or in the event of the death of a Director, by a lump sum cash payment, based on the value of the DSUs at that time. Vested PDSUs are redeemable at the time the NEO's employment on behalf of the Corporation or PFC, as the case may be (or another corporation related to such issuer) is terminated, or in the event of the death of the NEO, by a lump sum cash payment, based on the value of the vested PDSUs at that time. The amount also includes 22,462 DSUs for Mr. Tretiak and 972 DSUs for Mr. Généreux that were vested on December 31, 2020.

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

[8] For Messrs. Orr, Tretiak and Généreux, these options have a 10-year term, and one-third of these options vest on the third anniversary of the award, one-third vest on the fourth anniversary of the award and the remaining one-third vest on the fifth anniversary of the award. For Messrs. Paul Desmarais, Jr. and André Desmarais, these options have a 5-year term, and one-half of these options vest on the third anniversary of the award and the remaining one-half vest on the fourth anniversary of the award.

[9] This NEO did not hold any PSUs or PDSUs of the Corporation or PFC as at December 31, 2020.

[10] Mr. Tretiak also holds options of IGM previously granted to him as an officer of IGM which are disclosed in IGM's Management Proxy Circular dated February 19, 2021.

[11] Mr. Généreux was awarded such options on his appointment as Executive Vice-President of the Corporation on March 2, 2015. These options have a 10-year term and vest at the rate of 20 per cent per year starting at the first anniversary of the award.

Incentive Plan Awards – Value Vested or Earned During the Year

The table below shows information for each NEO for the year ended December 31, 2020. The Power Financial Employee Stock Option Plan was assumed by the Corporation on February 13, 2020 (see "Equity Compensation Plans – Power Financial Employee Stock Option Plan (assumed by the Corporation)").

Name	Option-based awards – value vested during the year[1] [$]	Share based awards – value vested during the year[2] [$]	Non-equity incentive plan compensation – value earned during the year[3] [$]
R. Jeffrey Orr	Nil	3,535,246	Nil
Paul Desmarais, Jr.	Nil	Nil	Nil
André Desmarais	Nil	Nil	Nil
Gregory D. Tretiak[4]	8,490	883,304	2,600,000
Claude Généreux	4,253	1,079,092	2,400,000

[1] Summarizes for each of the NEOs, the aggregate value that would have been realized if the options under Power Executive Stock Option Plan and the Power Financial Employee Stock Option Plan (assumed by the Corporation) had been exercised on the vesting date during the financial year ended December 31, 2020.

[2] Summarizes for each of the NEOs, the aggregate value that would have been realized if PDSUs and PSUs of the Corporation and PFC had been redeemed on the vesting date during the financial year ended December 31, 2020. Vested PDSUs are redeemable at the time the NEO's employment on behalf of the Corporation or PFC, as the case may be (or another corporation related to such issuer) is terminated, or in the event of the death of the NEO, by a lump sum cash payment, based on the value of the vested PDSUs at that time. Vested PSUs are settled and paid by a lump sum cash payment shortly after the applicable three-year performance period.

[3] These are the same amounts as disclosed under the "Annual Incentive Plans" column in the Summary Compensation Table earlier in this Management Proxy Circular.

[4] Mr. Tretiak also holds options of IGM, previously granted to him as an officer of IGM, which vested during the year ended December 31, 2020. See disclosure in IGM's Management Proxy Circular dated February 19, 2021.

Equity Compensation Plan Information

The following table shows the number of securities authorized for issuance under equity compensation plans of the Corporation as at December 31, 2020. The only equity compensation plans under which Shares of the Corporation may now be issued from treasury are the Power Executive Stock Option Plan and the Power Financial Employee Stock Option Plan which was assumed by the Corporation on February 13, 2020 as part of the Reorganization (see "Equity Compensation Plans – Power Financial Employee Stock Option Plan (assumed by the Corporation)").

At December 31, 2020	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 securityholders	31,484,425	$30.70	2,658,440[1]
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	31,484,425	$30.70	2,658,440

[1] Represents the number of securities remaining available for future issuance under the Power Executive Stock Option Plan only. No more options may be issued under the Power Financial Employee Stock Option Plan.

Equity Compensation Plans

POWER EXECUTIVE STOCK OPTION PLAN

The Power 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 Power Executive Stock Option Plan and other provisions have also been approved by the Corporation's shareholders from time to time.

The following table provides information regarding the Power Executive Stock Option Plan, as at December 31, 2020.

	Number of Subordinate Voting Shares	% of outstanding Shares of the Corporation
(a) Issuable pursuant to options outstanding	18,512,415	2.73%
(b) Issuable pursuant to options available for granting	2,658,440	0.39%
(c) Reserved for issuance (a+b)	21,170,855	3.13%[1]
Issuable pursuant to options granted during year ended December 31, 2020	3,994,258	0.62%[2]
Issuable pursuant to options granted during year ended December 31, 2019	1,325,223	0.30%[2]
Issuable pursuant to options granted during year ended December 31, 2018	1,350,172	0.29%[2]

[1] Commonly referred to as the "overhang".

[2] Commonly referred to as the annual "burn rate". The percentage is obtained by dividing the total number of Subordinate Voting Shares of the previous column by the weighted average number of total number of outstanding Shares for the applicable fiscal year. The weighted average number of total Shares outstanding was 647,516,782 (being the total of 593,345,140 Subordinate Voting Shares and 54,171,642 Participating Preferred Shares) for the fiscal year ended December 31, 2020, of 437,511,762 (being the total of 388,656,990 Subordinate Voting Shares and 48,854,772 Participating Preferred Shares) for the fiscal year ended December 31, 2019, and of 465,351,769 (being the total of 416,496,997 Subordinate Voting Shares and 48,854,772 Participating Preferred Shares) for the fiscal year ended December 31, 2018.

The Power Executive Stock Option Plan provides for the grant of options to certain officers, key employees and key associates of Power and its subsidiaries, as designated by the Human Resources Committee. The Human Resources Committee determines the number of Subordinate Voting Shares to be covered by each such grant of options and determines, subject to the Power 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 Human Resources Committee. Options granted under the Power Executive Stock Option Plan 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 Power Executive Stock Option Plan permit option holders to purchase Subordinate Voting Shares 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 Human Resources Committee, options terminate upon the earlier of the date first established by the Human Resources 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. In the event of a change of control of the Corporation, all outstanding options will become vested and other terms, as first established by the Human Resources Committee, will remain unchanged. Options are not assignable other than by will or succession law, except, if and on such terms as the Human Resources 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 Power Executive Stock Option Plan as if the optionee remained the holder thereof.

If options granted under the Power 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 Power 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 Power 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.

In March 2020, the Board of Directors of the Corporation amended the Power Executive Stock Option Plan to authorize the granting of tandem share appreciation rights (a "TSAR" or "TSARs"), which amendments were approved by the Corporation's shareholders on May 15, 2020.

The Power Executive Stock Option Plan provides for the granting of TSARs in connection with options granted thereunder, at or after the time of grant of such options. A TSAR entitles the optionee to surrender to the Corporation, unexercised, the right to subscribe for a Subordinate Voting Share pursuant to the related option and to receive from the Corporation cash in an amount equal to the excess of the market value of a Subordinate Voting Share over the subscription price under the related option, net of any applicable withholding taxes and other required source deductions. For this purpose, the Power Executive Stock Option Plan defines "market value" as 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. TSARs may be granted in an amount equal to the number of Subordinate Voting Shares covered by the applicable option. Each exercise of a TSAR in respect of a Subordinate Voting Share covered by the option to which the TSAR is connected will cancel that option in respect of such Subordinate Voting Share. Unexercised TSARs terminate when the related option is exercised or, if the option is not exercised, when such option ceases to be exercisable under the Power Executive Stock Option Plan.

The Board may at any time and from time to time amend, suspend, cancel or terminate the Power 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 Power Executive Stock Option Plan;
2. reducing the subscription price of an outstanding option, including a cancellation and re-grant 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 Power Executive Stock Option Plan;
6. adding non-employee Directors to the categories of participants eligible to participate in the Power Executive Stock Option Plan;
7. amending the Power 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 Power 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 Power Executive Stock Option Plan (being 5 per cent of the Corporation's total 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 the application of the anti-dilution provisions of the Power Executive Stock Option Plan. Subject to but without limiting the generality of the foregoing, the Board may: narrow the eligibility for, and limitations on, participation in the Power Executive Stock Option Plan; modify periods during which the options may be exercised under the Power Executive Stock Option Plan; modify the terms on which the awards may be granted, terminated, cancelled and adjusted and exercised; amend the provisions of Power Executive Stock Option Plan to comply with applicable laws, the requirements of regulatory authorities or applicable stock exchanges; amend the Power Executive Stock Option Plan or an award thereunder to correct or rectify an ambiguity, a deficient or inapplicable provision, an error or an omission; and amend a provision of the Power Executive Stock Option Plan relating to the administration or technical aspects of the plan.

In March 2020, the Board of Directors of the Corporation amended the anti-dilution provisions of the Power Executive Stock Option Plan to provide that (a) in the event of a special dividend out of the ordinary course of the Corporation, an equitable adjustment shall be made in the subscription price of outstanding options and (b) notwithstanding anti-dilution provision or otherwise, any adjustment to an option issued to a US Taxpayer shall be made in accordance with the requirements of Section 409A of the Code. For these purposes, "Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto, and the applicable rulings and regulations thereunder and "US Taxpayer" means an optionee who is a citizen or permanent resident of the United States for purposes of the Code or an optionee for whom the compensation under this Plan would otherwise be subject to income tax under the Code. In accordance with the amendment provisions of the Power Executive Stock Option Plan, the foregoing amendments did not require shareholder approval.

POWER FINANCIAL EMPLOYEE STOCK OPTION PLAN (ASSUMED BY THE CORPORATION)

The Power Financial Employee Stock Option Plan was assumed by the Corporation on February 13, 2020, at which time all the outstanding stock options granted thereunder were exchanged for stock options of the Corporation (each a "Replacement Option"), under the Power Financial Employee Stock Option Plan. The Power Financial Employee Stock Option Plan is therefore now administered by the Human Resources Committee of the Corporation. The number of Subordinate Voting Shares which the holder of such outstanding options became entitled to purchase under such Replacement Option was such number of Subordinate Voting Shares as is equal to the product obtained when (i) 1.05 is multiplied by (ii) the number of PFC Common Shares subject to such option immediately prior to the exchange (such product rounded down to the nearest whole number of Subordinate Voting Shares). The exercise price per Subordinate Voting Share for each Replacement Option is the quotient obtained when the exercise price per PFC Common Share payable under such option immediately prior to the exchange was divided by 1.05 (such quotient rounded up to the nearest whole cent). Accordingly, as at December 31, 2020, 12,972,010 Subordinate Voting Shares were issuable pursuant to the exercise of Replacement Options, while the same quantity of Subordinate Voting Shares was reserved for issuance under the Power Financial Employee Stock Option Plan.

The outstanding Replacement Options were granted by PFC for a period of not more than 10 years and vest on a delayed basis over periods beginning no earlier than one year from date of grant and no later than five years from date of grant.

The options granted under the Power Financial Employee Stock Option Plan permit option holders to purchase Subordinate Voting Shares on payment of the subscription price. 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 Human Resources Committee, options terminate upon the earlier of the date first established by the Human Resources Committee and [i] 36 months from termination of employment by reason of death; [ii] seven years from termination of employment by retirement; [iii] 12 months from termination of employment other than by reason of death, 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 in the case of an employee with less than one year's service at the date of grant. 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 Power Financial Employee Stock Option Plan as if the optionee remained the holder thereof.

If options granted under the Power Financial Employee 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 Power Financial Employee 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 Subordinate Voting Shares, and the number of Subordinate Voting Shares issued to insiders within any one-year period under options issued and outstanding pursuant to the Power Financial Employee 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 Subordinate Voting Shares. The number of Subordinate Voting Shares covered by options held by any one optionee shall not exceed 5 per cent of the outstanding Subordinate Voting Shares at any time.

In March 2020, the Board of Directors of the Corporation amended the Power Financial Employee Stock Option Plan to authorize the granting of TSARs. In accordance with the amendment provisions of the Power Financial Employee Stock Option Plan, such amendments did not require shareholder approval.

The Power Financial Employee Stock Option Plan provides for the granting of TSARs in connection with options granted thereunder, at or after the time of grant of such options. A TSAR entitles the optionee to surrender to the Corporation, unexercised, the right to subscribe for a Subordinate Voting Share pursuant to the related option and to receive from the Corporation cash in an amount equal to the excess of the market value of a Subordinate Voting Share over the subscription price under the related option, net of any applicable withholding taxes and other required source deductions. For this purpose, the Power Financial Employee Stock Option Plan defines "market value" as 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 will not have been reported for that day, the average of the bid and ask for the Subordinate Voting Shares on such day. TSARs may be granted in an amount equal to the number of Subordinate Voting Shares covered by the applicable option. Each exercise of a TSAR in respect of a Subordinate Voting Share covered by the option to which the TSAR is connected will cancel that option in respect of such Subordinate Voting Share. Unexercised TSARs terminate when the related option is exercised or, if the option is not exercised, when such option ceases to be exercisable under the Power Financial Employee Stock Option Plan.

The Board may at any time and from time to time amend, suspend, cancel or terminate the Power Financial Employee Stock Option Plan or an option granted thereunder, in whole or in part, provided however that approval of the holders of the Subordinate Voting 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 Power Financial Employee Stock Option Plan;
2. reducing the subscription price of an outstanding option, including a cancellation and re-grant 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 Power Financial Employee Stock Option Plan;
6. adding non-employee Directors to the categories of participants eligible to participate in the Power Financial Employee Stock Option Plan;
7. amending the Power Financial Employee 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 Power Financial Employee Stock Option Plan (being 10 per cent of the Corporation's total issued and outstanding Subordinate Voting Shares);
9. increasing or deleting the percentage limit on shares reserved for issuance to any one person under the Power Financial Employee Stock Option Plan (being 5 per cent of the Corporation's total issued and outstanding Subordinate Voting 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 the application of the anti-dilution provisions of the Power Financial Employee Stock Option Plan. Subject to but without limiting the generality of the foregoing, the Board may: narrow the eligibility for, and limitations on, participation in the Power Financial Employee Stock Option Plan; modify periods during which the options may be exercised under the Power Financial Employee Stock Option Plan; modify the terms on which the awards may be granted, terminated, cancelled and adjusted and exercised; amend the provisions of Power Financial Employee Stock Option Plan to comply with applicable laws, the requirements of regulatory authorities or applicable stock exchanges; amend the Power Financial Employee Stock Option Plan or an award thereunder to correct or rectify an ambiguity, a deficient or inapplicable provision, an error or an omission; and amend a provision of the Power Financial Employee Stock Option Plan relating to the administration or technical aspects of the plan.

In March 2020, the Board of Directors of the Corporation also amended the anti-dilution provisions of the Power Financial Employee Stock Option Plan to provide that (a) in the event of a special dividend out of the ordinary course of the Corporation, an equitable adjustment shall be made in the subscription price of outstanding options and (b) notwithstanding anti-dilution provision or otherwise, any adjustment to an option issued to a US Taxpayer shall be made in accordance with the requirements of Section 409A of the Code. For these purposes, "Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto, and the applicable rulings and regulations thereunder and "US Taxpayer" means an optionee who is a citizen or permanent resident of the United States for purposes of the Code or an optionee for whom the compensation under this Plan would otherwise be subject to income tax under the Code. In accordance with the amendment provisions of the Power Financial Employee Stock Option Plan, the foregoing amendments did not require shareholder approval.

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 Power Group, as may be designated for participation by the Human Resources Committee of the Board of Directors. Messrs. Paul Desmarais, Jr. and André Desmarais participate in the SERP.

The following table summarizes the main provisions of the SERP:

Provision	Description
Member contributions	None permitted
Credited service	Years of service (including fractions of years of service) with the Power Group while an executive officer designated by the Corporation for participation in the SERP
Pensionable compensation	Salary and bonuses received in respect of all Power Group positions
Average compensation	Average of the highest three years of compensation out of the final 10 years of credited service
Normal retirement age	62 years
Pension formula	Maximum annual pension equal to 60 per cent of the average compensation less offset (see below)
Offset	Amount of benefits payable under the Canada Pension Plan or the Québec Pension Plan and the Corporation’s basic pension plan
Years of credited service requirement	Entitlement to the maximum supplementary pension under the SERP requires 15 years of credited service with the Power Group and no benefit is payable to a participant with less than 5 years of credited service at retirement
Reduced pension	The amount of the supplementary pension (prior to offset) is reduced by 6 ⅔ per cent for each year by which the credited service with the Power Group is less than 15 years
Early retirement age	Early retirement may not be elected prior to age 55
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 (prior to offset) of 6 per cent for each year by which the retirement precedes age 60

Mr. Orr participates in the Corporation’s basic pension plan and has a supplementary pension benefit arrangement administered by the Corporation. Under his pension benefit arrangement and the Corporation’s basic pension plan, Mr. Orr became entitled to an annual pension at age 62 equal to a percentage of the average of the highest three years of his compensation out of the final 10 years of credited service multiplied by his credited service under Power’s basic pension plan, provided that, in no event will the pension benefit exceed 60 per cent of the average of the highest three years of his compensation out of the final 10 years of credited service. Effective December 31, 2020, his pension benefit has been limited to $2.5 million. Credited service includes service with the Corporation, PFC and service with IGM recognized under the Corporation’s basic pension plan. Mr. Orr’s average compensation is calculated based on salary and certain qualifying bonuses received in respect of all Power Group positions. Pension benefits are generally payable starting at age 62. In the event Mr. Orr retires after reaching age 65, his pension benefits will be actuarially adjusted.

Under his pension benefit arrangement and the Corporation’s basic pension plan, Mr. Tretiak became entitled to an annual pension at age 62 equal to a percentage of the average of the highest three years of his compensation out of the final 10 years of credited service multiplied by his credited service under the Corporation’s basic pension plan, provided that, in no event will such pension benefit exceed 60 per cent of the average of the highest three years of his compensation out of the final 10 years of credited service. Mr. Tretiak’s pension benefit is reduced by the amount of the benefits payable under the Canada Pension Plan or the Québec Pension Plan and any benefits payable under his IGM Supplementary Executive Retirement Plan (for prior service with IGM, a subsidiary of the Corporation). Credited service includes service with the Corporation and service with IGM recognized under the Corporation’s basic pension plan. His average compensation covered under his pension benefit arrangement is calculated based on salary and bonuses received in respect of all Power Group positions.

Under his pension benefit arrangement and the Corporation’s basic pension plan, Mr. Généreux becomes entitled to an annual pension at age 62 equal to a percentage of the average of the highest three years of his compensation out of the final 10 years of credited service multiplied by his total years of credited service with the Corporation, provided that, in no event will such pension benefit exceed 60 per cent of the average of the highest three years of his compensation out of the final 10 years of credited service. Given that Mr. Généreux is a mid-career hire, his pension benefit upon his retirement will not reach the maximum benefit set under his pension arrangement and should be significantly below such maximum. Mr. Généreux’s pension benefit is reduced by the amount of the benefits payable under the Canada Pension Plan or the Québec Pension Plan. Mr. Généreux’s period of credited service is his period of employment with the Power Group. His average compensation covered under his pension benefit arrangement is calculated based on salary and bonuses received in respect of all Power Group positions.

The following table presents information on the pension benefits offered to each NEO calculated as of the end of 2020 for the Corporation's basic pension plan, and the SERP, the Orr SERP in the case of Mr. Orr, Mr. Tretiak's pension benefit arrangement and Mr. Généreux's pension benefit arrangement (all together called "SERPs") for services rendered in all capacities to the Corporation and its subsidiaries.

Name[1]	Number of years of credited service[2] [#]	Annual benefits payable [$] At year-end[3]	Annual benefits payable [$] At age 65[3]	Accrued obligation at start of year[4,5]	Compensatory change[6]	Non-compensatory change	Accrued obligation at year-end[4]
R. Jeffrey Orr	19.6[7]	2,500,000	2,500,000	40,308,000	(1,413,000)	4,473,000[8]	43,368,000[9]
Paul Desmarais, Jr. [10]	42.8[11]	1,840,884	1,840,884	32,055,000	(2,000)	2,839,000[12]	34,892,000[13]
André Desmarais[10]	36.8[11]	1,840,884	1,840,884	33,912,000	(2,000)	3,339,000[12]	37,249,000[13]
Gregory D. Tretiak	32.5[14]	1,188,999	1,188,999	19,677,000	878,000	3,834,000[8]	24,389,000[9]
Claude Généreux	5.8[15]	460,623	975,638	6,312,000	1,322,000	909,000[8]	8,543,000[9]

[1] At the end of 2020, the percentages attributable to the Corporation and PFC are, respectively, 2 per cent and 98 per cent for R. Jeffrey Orr, 41 per cent and 59 per cent for Paul Desmarais, Jr., 58 per cent and 42 per cent for André Desmarais, 50 per cent each for Gregory D. Tretiak and 23 per cent and 77 per cent for Claude Généreux.

[2] With respect to Messrs. Paul Desmarais, Jr. and André Desmarais, a maximum of 15 years of credited service are recognized under the SERP and for Mr. Tretiak, a maximum of 30 years of credited service are recognized under the pension benefit arrangement.

[3] 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, assuming benefits are fully vested. This estimated pension is calculated based on actual pensionable earnings as at the end of the financial year ended December 31, 2020 and on the terms of the current retirement arrangements. 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. For NEOs who have already attained age 65, the annual benefits payable at age 65 correspond to the annual benefits payable at year end. Effective December 31, 2020, the annual benefits payable to Mr. Orr are capped at $2,500,000 as a result of an amendment to the Orr SERP. The annual benefits payable exclude pension payments that became payable under the IGM Supplementary Executive Retirement Plan for service rendered prior to joining the Corporation and PFC. The annual pensions paid under the IGM SERP amount to $222,364 and $191,203 for Messrs. Orr and Tretiak, respectively.

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

[5] 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 3.20 per cent per year for the basic pension plan and a discount rate of 3.10 per cent per year for the SERPs to calculate the accrued obligation at the start of the year and the annual service cost, and a rate of increase in future compensation of 3.50 per cent per year (3.00 per cent per year in the case of Mr. Orr).

[6] Includes service cost for 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.

[7] Mr. Orr's credited service under the Corporation's basic pension plan and the Orr SERP as at 2020 year-end is 19.6 years (including four years of credited service with IGM, a subsidiary of the Corporation).

[8] Includes the impact on the accrued obligation of the change in the discount rate from 3.20 per cent to 2.80 per cent for the basic pension plan and from 3.10 per cent to 2.60 per cent for the SERPs, non-pay related experience such as mortality and retirement, and increase in the obligation due to interest and changes in other assumptions, if any.

[9] 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 2.80 per cent per year for the basic pension plan and a discount rate of 2.60 per cent per year for the SERPs to calculate the accrued obligation at year-end and the annual service cost, and a rate of increase in future compensation of 3.50 per cent per year (not applicable at year-end in the case of Mr. Orr).

[10] Messrs. Paul Desmarais, Jr. and André Desmarais retired from the Corporation effective February 13, 2020 and started their pension benefits on March 1, 2020.

[11] Represents the total years of credited service with the Corporation and PFC.

[12] Includes the impact on the accrued obligation of the change in the discount rate from 3.20 per cent to 2.40 per cent for the basic pension plan and from 3.10 per cent to 2.30 per cent for the SERP, non-pay related experience such as mortality and retirement, and increase in the obligation due to interest and changes in other assumptions, if any.

[13] 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 2.40 per cent per year for the basic pension plan and a discount rate of 2.30 per cent per year for the SERP to calculate the accrued obligation at year-end.

[14] Represents the total years of credited service with the Corporation, PFC and IGM.

[15] Mr. Généreux's credited service under the Corporation's basic pension plan was 5.3 years due to the plan's waiting period. Credited service under Mr. Généreux's supplemental pension arrangement began on his first day of employment and totaled 5.8 years as at December 31, 2020.

Retirement, Termination and Change of Control Benefits

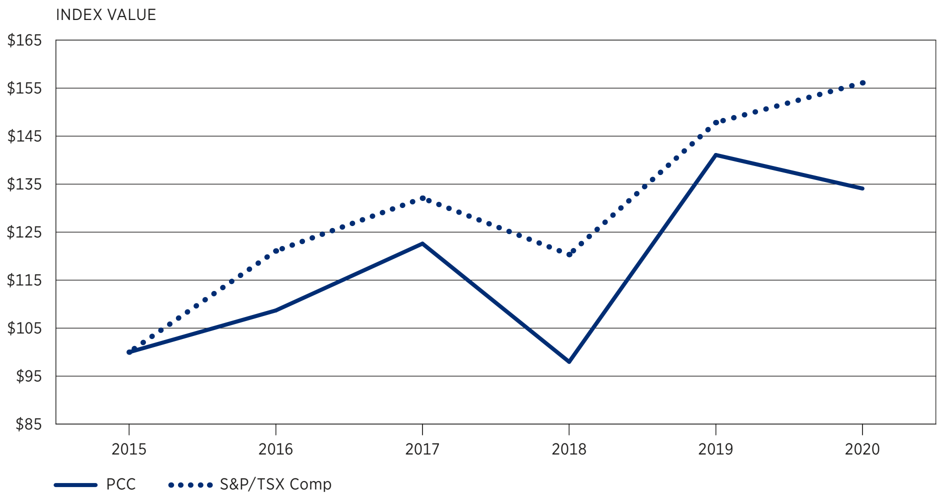
There are not any contracts, agreements, plans or arrangements that provide for incremental payments to any NEOs at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO's responsibilities.

PERFORMANCE GRAPH

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, 2020. 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, 2015:



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.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The following table presents the aggregate outstanding indebtedness, as at February 28, 2021, of all current and former executive officers, directors and employees of the Corporation or any of its subsidiaries (other than Lifeco and IGM and their respective subsidiaries), to the Corporation or its subsidiaries, or to other entities if the indebtedness to such other entities is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, in each case other than "routine indebtedness" as defined under applicable securities law.

Aggregate indebtedness

Purpose	To the Corporation or its subsidiaries [$]	To another entity [$]
Share Purchases	Nil	Nil
Other	21,030,084.20[1]	Nil

[1] Reflects loans to certain executive employees of subsidiaries of the Corporation.

If and as required by applicable securities law, the aggregate outstanding indebtedness of all current and former executive officers, directors and employees of Lifeco and its subsidiaries to Lifeco and its subsidiaries is disclosed in Lifeco's Management Proxy Circular dated March 8, 2021 and the aggregate outstanding indebtedness of all current and former executive officers, directors and employees of IGM and its subsidiaries to IGM and its subsidiaries is disclosed in IGM's Management Proxy Circular dated February 19, 2021.

Other than as disclosed in the foregoing table, as at February 28, 2021, no current or former executive officers, directors or employees of the Corporation or any of its subsidiaries (other than Lifeco and IGM and their respective subsidiaries), was indebted to the Corporation or any of its subsidiaries, or to other entities if the indebtedness to such other entities is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, in each case other than "routine indebtedness" as defined under applicable securities law.

SAY-ON-PAY

The Board believes that shareholders should have the opportunity to fully understand the objectives, philosophy and principles the Corporation has used in its approach to executive compensation decisions and, for the first time, commencing at the Meeting, to have an annual advisory vote on the Corporation's approach to executive compensation. Shareholders are being asked to consider and, if appropriate, approve the following resolution (the "Say-on-Pay Resolution"):

Resolved, on an advisory basis and not to diminish the role and responsibilities of the board of directors, that the shareholders accept the approach to executive compensation disclosed in the Corporation's management proxy circular delivered in advance of the 2021 annual meeting of shareholders.

Unless the shareholder who has submitted a proxy directing that the shares be voted "against" the Say-on-Pay Resolution, the representative of the Corporation named in the form of proxy will vote the shares represented thereby "for" the Say-on-Pay Resolution.

The purpose of the "Say-on-Pay" advisory vote is to provide appropriate director accountability to the shareholders for the Board's compensation decisions by giving shareholders a formal opportunity to provide their views on the disclosed objectives of the executive compensation plans, and on the plans themselves. While shareholders will provide their collective advisory vote, the Directors of the Corporation remain fully responsible for their compensation decisions and are not relieved of these responsibilities by a positive advisory vote by shareholders. As this is an advisory vote, the results will not be binding upon the Board. However, the Board will take the results of the vote into account, as appropriate, when considering future compensation decisions.

APPOINTMENT OF AUDITORS

It is proposed to reappoint Deloitte 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 representatives of management named in the form of proxy will vote the Shares represented thereby for the appointment of Deloitte LLP as auditors of the Corporation. The resolution to reappoint Deloitte LLP will be approved, if passed, by a majority of the votes cast at the Meeting.

SHAREHOLDER PROPOSALS

Shareholder proposals received by the Corporation are attached as Schedule "A". As both proposals were withdrawn by the shareholder who made them, they will not be submitted to a shareholder vote.

Pursuant to currently applicable corporate law, the 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 2022 is December 17, 2021.

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. The Honourable Paul G. Desmarais held control of Power from 1968 until his death in October 2013, upon which control of the Corporation passed to the Desmarais Family Residuary Trust. As at March 17, 2021, the Desmarais Family Residuary Trust exercised, through holding entities, control over shares carrying approximately 50.87 per cent of the votes. See "Voting Shares and Principal Holders Thereof". 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.

The foregoing 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's approach reflects its belief that governance must be focused on substance rather than the application of generic processes and standardized rules and guidelines that do not account for the particular context of the issuer. Rigid, externally-generated checklists cannot replace real care, responsibility and personal engagement. 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.

The Board believes that the Corporation's governance system is effective and is appropriate to its circumstances, and that there are in place proper 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.

Independence of Directors

A–CURRENT APPLICABLE STANDARDS

The CSA Guidelines and *National Instrument 52-110 – Audit Committees* and *National Instrument 58-101 – Disclosure of Corporate Governance Practices* (the "Instruments") currently 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 further 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 (i.e., the controlling shareholder). In the view of the Board, the determination of director independence is a question of fact that should be decided by the issuer's board of directors on a case-by-case basis based on actual relationships with an issuer's management (not relationships with an issuer's controlling shareholder) and without reference to any presumptions such as those which are currently contained in the Instruments. The provisions in the Instruments concerning independence determinations are overly-broad, as they encompass directors who have 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 provisions deeming directors that are related to an issuer's controlling shareholder to be non-independent are not an appropriate response to any potential governance concerns they are intended to address. Any concerns which may exist in a controlled company situation about conflicts of interest or self-dealing should 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.

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 is aligned with the interests of other shareholders in this respect and 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 decades, which provides for the inclusion of officers and directors of the Corporation or PFC on the boards of our subsidiaries. These Directors have no 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. Serving as a director of a subsidiary is an extension of the role as an officer of the parent shareholder and assists such person in discharging their corporate law duties. Meanwhile, the interests of the parent are well served by the experience of and expertise in the affairs of group companies brought to the parent by those officers who also serve on the boards of its subsidiaries. The presence of our officers and Directors on our subsidiaries' boards assists our board in the proper stewardship of our holdings, enriches the discussion, and enhances the quality of governance, at both our Board and our subsidiaries' boards.

Further, we believe it is appropriate for officers of the parent to be members of the subsidiary's key committees (i.e. Audit Committee, Human Resources Committee (except where such officers of the parent also serve as officers of the subsidiary), and Nominating Committee), to provide the knowledge and perspective of the controlling shareholder with respect to the matters under the responsibility of such committees. However, the CSA Guidelines discourage such a practice in respect of Nominating and Compensation Committees, while the Instruments prevent us from including an executive officer of the Corporation (e.g., our Chief Financial Officer) on the Audit Committees of our public subsidiaries to provide an important, value-added perspective and independent oversight with respect to financial matters at our public subsidiaries, for the benefit of all shareholders.

The practical effect of the current regime concerning director independence and board and committee composition under the Instruments and CSA Guidelines, if followed, would be to deny the Corporation, all of its shareholders, and its corporate group the benefit of this governance model and prevent the Corporation from participating fully in the oversight function at its subsidiaries.

The CSA has acknowledged the concerns expressed by some reporting issuers and other commentators 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. The Corporation is disappointed that, despite the foregoing, the CSA concluded in 2018, following the publication of *Consultation Paper 52-404 Approach to Director and Audit Committee Member Independence*, that the current regulatory approach to such matters should be maintained.

B–ASSESSMENT OF INDEPENDENCE

The Board of the Corporation is currently composed of 13 Directors. In the Board's view, 10 Directors (constituting a 77 per cent majority of the Board) are independent within the meaning of the Instruments and have no other relationships that could reasonably interfere with the exercise of their independent judgment in discharging their duties to the Corporation.

The following table shows which Directors are independent and which are non-independent within the meaning of the Instruments, and the reason for non-independence of individual Directors, as applicable.

Director	Independent	Non-Independent	Reason for non-independence
Pierre Beaudoin	✓		
Marcel R. Coutu	✓		
André Desmarais		✓	Former Executive Officer within past three years (Former President and Co-CEO of Power)
Paul Desmarais, Jr.		✓	Former Executive Officer within past three years (Former Co-CEO of Power)
Gary A. Doer	✓		
Anthony R. Graham	✓		
J. David A. Jackson	✓		
Paula B. Madoff	✓		
Isabelle Marcoux	✓		
Christian Noyer	✓		
R. Jeffrey Orr		✓	Executive Officer of Power (President and CEO of Power)[1]
T. Timothy Ryan, Jr.	✓		
Siim A. Vanaselja	✓		

[1] Mr. Orr was appointed as President and Chief Executive Officer of the Corporation on February 13, 2020.

Of the 14 individuals nominated for election at the Meeting, 11 Directors (constituting more than 78 per cent of the Board) are independent within the meaning of the Instruments and have no other relationships that could reasonably interfere with the exercise of their independent judgment in discharging their duties to the Corporation.

Ms. Sharon MacLeod, being proposed for election as a Director of the Corporation for the first time at the Meeting, is independent within the meaning of the Instruments.

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. Such discussions are led by the Corporation's Lead Director, Mr. Anthony R. Graham, who provides feedback subsequently to the Chairman and Deputy Chairman of the Board. All independent Directors are encouraged by the Chairman of the Board to have open and candid discussions with the Lead Director, the Chairman, the Deputy Chairman or with the CEO.

Pursuant to 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 every regularly scheduled Board meeting without members of management present. Accordingly, there were four such meetings held during 2020. The Audit Committee, the Related Party and Conduct Review Committee, and the Human Resources Committee are composed entirely of Directors who are independent both in the Board's view and within the meaning of the Instruments. Each of these committees have scheduled in-camera meetings without members of management at every meeting.

Following the retirement of Messrs. Paul Desmarais, Jr. and André Desmarais from their executive roles as Co-Chief Executive Officers of the Corporation on February 13, 2020, the Governance and Nominating Committee is now entirely composed of Directors who are not members of management of the Corporation. Furthermore, since 2020, the Governance and Nominating Committee, also holds an in-camera session at each meeting.

D–CHAIRMAN OF THE BOARD

Since February 13, 2020, following the Reorganization, the positions of Chief Executive Officer and Chairman of the Board are held by separate individuals. The role of the Chairman of the Board is to seek to ensure that the Board can fulfill its duties and responsibilities in an effective manner in accordance with the laws, regulations and policies governing the Corporation and, in doing so the Chairman shall (in consultation with the Deputy Chairman), among other things: provide leadership to foster the effectiveness of the Board; chair meetings of the Board and of shareholders; ensure that the quality and timeliness of information that goes to the Board is appropriate; ensure that delegated Committee functions are carried out and reported as necessary; facilitate, together with the Chairs of the Board Committees and the CEO, effective and transparent interaction between the Board and management; and ensure that the Corporation's business is conducted with a view to the best interests of the Corporation.

As the positions of Chairman and Deputy Chairman are held by former executive officers of the Corporation, the Board has implemented structures and procedures to provide assurance that the Board can act independently of management. In particular, the Board has a Lead Director and 77 per cent of the members of the Board are independent both within the meaning of the Instruments and in the Board's view. The Audit Committee, the Related Party and Conduct Review Committee and the Human Resources Committee are constituted entirely with Directors who are independent both in the Board's view and within the meaning of the Instruments. The majority of the Governance and Nominating Committee is composed of Directors who are independent both in the Board's view and within the meaning of the Instruments. Furthermore, no member of management of the Corporation is a member of the Governance and Nominating Committee.

E–LEAD DIRECTOR

Mr. Anthony R. Graham serves as the Lead Director of the Corporation. In fulfilling his responsibilities, the Lead Director chairs the meetings of independent Directors, provides input to the Chairman and Deputy Chairman of the Board regarding the planning and organizing of the activities of the Board and provides input to the Chair of the Governance and Nominating Committee on the composition and structure of the Board and the formation and composition of Committees. The Lead Director is also responsible for reporting to the Chairman of the Board on the discussions of the independent Directors and facilitating the effective interaction between the independent Directors and management, in addition to any other functions as may be requested by the Chairman or Deputy Chairman of the Board.

Resolution of Conflicts

It is the duty of the Board to supervise the management of the business and affairs of the Corporation with a view to the best interests of the Corporation, including its shareholders as a whole. 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 (including the controlling shareholder) and to approve only those transactions that it deems appropriate. The Committee ensures that any transactions between the Corporation and a related party are done at least at market terms and conditions.

For a more detailed description of the Related Party and Conduct Review Committee's mandate, see "Committees' Mandates and Membership".

Canada Life, a subsidiary of Lifeco, is a regulated financial institution. As such, Canada Life is prohibited from entering into any transaction with a related party unless the transaction is permitted under the *Insurance Companies Act*. As required by law, Canada Life has a conduct review committee that has established procedures for the review of permitted related party transactions. In accordance with these procedures, Canada Life's conduct review committee reviews certain permitted 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. Canada Life's conduct review committee is composed of Directors who are independent of Canada Life's management 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.

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 currently discharges directly or through one of the four 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 Board Charter is attached as Schedule "B".

The Board has also adopted a Charter of Expectations for Directors setting out the expectations towards directors serving on the Board of the Corporation which includes a Director position description as well as provisions on minimum attendance (i.e., absent extraordinary reasons, such as health issues, to attend at least 75 per cent of regularly scheduled Board meetings and committee meetings on which they serve on a yearly basis), on overlaps on boards of directors outside the Power Group (i.e., without the consent of the Chair of the Governance and Nominating Committee, no more than two Directors may sit on the board of directors of the same publicly traded company outside the Power Group) and on minimum equity ownership requirements for Directors (see "Election of Directors – Minimum Equity Ownership Requirement for Directors").

As part of the Directors position description, each Director is expected to: understand the Corporation's vision, strategies, objectives and associated risks; be generally knowledgeable of the Corporation's, and its subsidiaries' and investees', services and operations and the industries and regulatory environments within which they operate; act independently of management (for Directors who are not members of management) and work constructively and effectively with other Directors; apply their knowledge, skills, experience and business judgment to matters considered by the Board and its committees; prepare thoroughly for each Board and applicable committee meeting by reviewing the provided meeting material and requesting clarification or additional information as required to make informed decisions; devote the necessary time and attention to be able to participate in Board deliberations and make an informed decision on issues; attend Board and applicable committee meetings and participate fully in the deliberations and discussions of the Board and applicable committees, and be informed of significant matters discussed at meetings not attended; identify and disclose actual, potential or perceived conflicts of interest to allow appropriate review; respect confidentiality; act in the highest ethical manner and with integrity in all personal, business and professional dealings, and comply with the Corporation's policies and applicable laws, including the Corporation's Code of Business Conduct and Ethics and the Disclosure Policy; and when appropriate, communicate with, and be available as a resource to, the Chairman, the Deputy Chairman, the Chief Executive Officer and other members of management between formal meetings.

Committees' Mandates and Membership

The mandates of the Board's four standing committees are summarized below, together with each committee's membership and the number of meeting held during the year ended December 31, 2020:

AUDIT COMMITTEE	Membership	Independent within the meaning of the Instruments
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 Audit Committee is also responsible for monitoring the implementation of, and compliance with a number of policies of the Corporation, including the Global Anti-Bribery Policy. In performing its duties and exercising its powers, the Audit Committee considers and addresses the risks related to the establishment, maintenance and implementation of disclosure controls and procedures and internal control over financial reporting and the risks related to cyber security that would reasonably be expected to have a material effect on the Corporation.	Siim A. Vanaselja (Chair)	✓
	Marcel R. Coutu	✓
	Gary A. Doer	✓
	J. David A. Jackson	✓
	T. Timothy Ryan, Jr.	✓
	Number of meetings: 4	

HUMAN RESOURCES COMMITTEE	Membership	Independent within the meaning of the Instruments
The primary mandate of the Human Resources 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 CEO, to oversee the management of incentive compensation plans and equity compensation plans, to consider the implications of any risks associated with the Corporation's compensation policies and practices, and to review succession plans for senior management, taking into account the objectives of the Corporation's Diversity Policy.	Anthony R. Graham (Chair)	✓
	Marcel R. Coutu	✓
	Isabelle Marcoux	✓
	Number of meetings: 7	

GOVERNANCE AND NOMINATING COMMITTEE

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 and to address potential risk related to governance matters. The Governance and Nominating Committee is responsible for identifying new candidates for Board nomination and, after considering the objectives of the Corporation's Diversity Policy, for recommending to the Board those candidates who possess the qualifications, competencies, skills, experience and level of commitment required to fulfill Board and Board Committees responsibilities. The Governance and Nominating Committee is also responsible for assessing at least annually the performance and effectiveness of the Board, Board Committees, and individual Directors to ensure that they are fulfilling their respective responsibilities and duties. It also oversees Director orientation and education.

The Committee has responsibility for monitoring the implementation of the Corporation's policy and strategy with respect to corporate social responsibility which includes environmental and social matters. The Committee is also responsible for periodically reviewing the Corporation's mission statement and, after discussion with management, recommending any changes to the Board of Directors that it deems appropriate.

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 include Directors who are related to the controlling shareholder (in this case, Paul Desmarais, Jr. and André Desmarais) as members of the Governance and Nominating Committee, comprising less than a majority of the Committee's members, to provide the knowledge and perspective of the controlling shareholder with respect to the matters under the responsibility of the committee. Messrs. Paul Desmarais, Jr. and André Desmarais are no longer members of management since February 13, 2020 when they retired as Co-Chief Executive Officers of the Corporation.

Membership	Not a member of management	Independent within the meaning of the Instruments
Paul Desmarais, Jr. (Chair)	✓	
André Desmarais	✓	
Anthony R. Graham	✓	✓
Isabelle Marcoux	✓	✓
Christian Noyer	✓	✓

Number of meetings: 1

RELATED PARTY AND CONDUCT REVIEW COMMITTEE

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 Related Party and Conduct Review Committee considers transactions between the Corporation and the following parties: (i) Directors and officers of the Corporation or any of its affiliates (and spouse and minor children of such persons); (ii) the Corporation's controlling shareholder; and (iii) any entity, other than a subsidiary of the Corporation, in which a party listed in (i) above beneficially owns or controls (A) securities representing more than 10 per cent of the voting interests, or (B) securities representing more than 25 per cent of the equity interests. Generally, the Corporation and its subsidiaries are prohibited from entering into a related party transaction if the transaction is not on terms and conditions at least as favourable as market terms and conditions.

In performing its duties and exercising its powers, the Related Party and Conduct Review Committee considers and addresses risks related to any proposed transactions with related parties of the Corporation.

Membership	Independent within the meaning of the Instruments
Paula B. Madoff (Chair)	✓
Pierre Beaudoin	✓
Christian Noyer	✓

Number of meetings: 2

Risk Oversight

As a holding company, the Corporation has the risks associated with being a significant shareholder in its subsidiary operating companies. The subsidiaries' Boards are responsible for the risk oversight function at those companies. Some officers of the Corporation are members of these Boards and Board Committees and therefore participate in the risk oversight function at the operating company level in their role as directors of those companies. As an indirect shareholder of companies operating in the financial services sector (including subsidiaries regulated and supervised by the Office of the Superintendent of Financial Institutions and provincial regulators), the Corporation is well aware of the particular necessity for robust risk identification and risk management oversight.

As for risk oversight at the Corporation's level, the Board considers identifying and managing risk, and taking a long-term view when making investments and managing the assets of the Corporation, to be of imperative importance. This approach is inextricably engrained within the culture of the Corporation and is supported by the Corporation's controlling shareholder, which has placed a premium on enduring viability, stability, diversification and cash flow, rather than on quarterly results. The Corporation believes that value is best achieved through a prudent approach to risk and through a governance model that focuses on the active oversight of our investments. The Board has overall responsibility for monitoring the implementation and maintenance by management of appropriate policies and controls to manage the risks associated with the Corporation's businesses as a holding company.

Additionally, while risk management is a general responsibility of each Committee of the Board, specifically in performing their respective duties, the Audit Committee addresses risks related to financial reporting, the Human Resources Committee considers risks associated with the Corporation's compensation policies and practices, the Governance and Nominating Committee oversees the Corporation's approach to appropriately addressing potential risks related to governance matters, and the Related Party and Conduct Review Committee considers risks related to any proposed transactions with related parties of the Corporation.

The Board has also delegated to the Audit Committee the oversight of risks related to cybersecurity. Senior management of the Corporation periodically updates the Audit Committee on cybersecurity matters, including on the Corporation's cybersecurity systems' robustness and related testing and auditing. Through an external specialist firm, the Corporation periodically conducts an assessment of the maturity of its cybersecurity. The Corporation's information technology defences are continuously monitored and adapted to both prevent and detect cyber-attacks, and then recover and remediate. Through its employee training program, the Corporation also provides cybersecurity awareness training and ensures that all employees are aware and comply with its policies and procedures related to cybersecurity.

Strategic Planning

The Chief Executive Officer is responsible for developing the Corporation's proposed strategic plans, in light of emerging opportunities and risks and with a view to the Corporation's sustained profitable growth and long-term value creation, and for implementing the approved strategic plans. The Board of Directors is responsible for approving the long-term goals and objectives for the Corporation; and, after considering alternatives, approving the strategic plans developed by the Chief Executive Officer. The Board of Directors also monitors senior management's implementation of the approved plans; assesses the achievement of the Corporation's goals and objectives; reviews and approves on at least an annual basis management's financial plan; and reviews and approves any significant transactions and strategic capital management decisions regarding the Corporation.

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, 2020, can be found in the section entitled "Election of Directors – Nominees for Election to the Board" earlier in this Management Proxy Circular.

Each Director is expected to attend a minimum of 75 per cent of the aggregate of all regularly scheduled Board meetings and meetings of committees on which they serve, held during the year. Those Directors who fail to meet this requirement must meet with the Chair of the Governance and Nominating Committee to discuss the reasons contributing to the Director's attendance record and the Chair will make a recommendation to the Governance and Nominating Committee, as necessary, with respect to the Director's continued service on the Board. In the absence of personal circumstances beyond the Director's control having prevented the Director from attending the requisite minimum proportion of applicable meetings, such as health reasons, the Governance and Nominating Committee will not recommend the Director for re-election at the next meeting of shareholders of the Corporation at which Directors are to be elected.

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 the Corporation's subsidiaries. This governance model is grounded in the view that, essentially, the primary roles and responsibilities of directors of a holding company, like the Corporation, are to oversee the investments in subsidiaries and, unlike operational companies, there is no separate, significant operational role at the holding company. Serving as a director of the Corporation's subsidiary companies is considered to be an extension of their role as Directors of the Corporation and assists such individuals in discharging their duties by focusing on and being knowledgeable about the affairs of the companies in which the Corporation has a significant investment. The presence of the Corporation's Directors on the boards of subsidiaries in the Power Group also assists the Corporation's Board in the proper stewardship of its holdings and is viewed as enriching the discussion and enhancing the quality of governance at the Corporation's Board, as well as at the other Power Group boards on which they serve.

Without the consent of the Governance and Nominating Committee, no more than two Directors may sit on the board of directors of the same publicly traded company (excluding the Corporation and any other companies in the Power Group). Outside of the Power Group, there is only one board of directors of a publicly traded company on which Directors of the Corporation serve together. Pierre Beaudoin and Anthony R. Graham both serve on the board of directors of Bombardier Inc.

Nomination of Directors

The Board has established a Governance and Nominating Committee, which has a number of responsibilities relating to governance and the nomination of candidates for election as Directors. The Committee is responsible for identifying new candidates for Board nomination and, after considering the objectives of the Corporation's Diversity Policy, for recommending to the Board those candidates who possess the qualifications, competencies, skills, business and financial experience, leadership roles, level of commitment and available time required of a Director to fulfill Board responsibilities.

Members of the Governance and Nominating Committee maintain an evergreen list of potential candidates and employ a skills matrix to assist with reviewing the skills and experience of director candidates and of the Board as a whole. The matrix, which is set forth below, outlines a complement of diverse qualifications, attributes, skills and experience that are viewed as being relevant to the proper functioning of the Board. This is not intended to be an exhaustive list of each Director's skills.

Director	Financial Literacy	Financial Services – Insurance	Financial Services - Investment/Asset Management	Accounting/Audit	Compliance Oversight	Risk Management	Strategic Planning/ Mergers & Acquisitions	Finance/ Capital Markets	International Business and Markets	Public Sector	Academia	Legal/Regulatory	Governance	Human Resources/ Executive Compensation	Communications/ Shareholder Relations	Corporate Social Responsibility	National or International Public Policy Developments or Trends
Pierre Beaudoin	✓			✓		✓	✓	✓	✓				✓	✓	✓	✓	
Marcel R. Coutu	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓
André Desmarais	✓	✓	✓	✓		✓	✓	✓	✓	✓			✓	✓	✓	✓	✓
Paul Desmarais, Jr.	✓	✓	✓			✓	✓	✓	✓		✓		✓	✓	✓	✓	✓
Gary A. Doer	✓				✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Anthony R. Graham	✓	✓	✓		✓	✓	✓	✓	✓		✓		✓	✓			
J. David A. Jackson	✓	✓	✓			✓	✓	✓	✓	✓		✓	✓	✓			
Sharon MacLeod	✓		✓	✓		✓	✓		✓	✓	✓		✓	✓	✓	✓	✓
Paula B. Madoff	✓	✓	✓			✓	✓	✓	✓				✓	✓			
Isabelle Marcoux	✓					✓	✓	✓				✓	✓	✓	✓	✓	
Christian Noyer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
R. Jeffrey Orr	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓
T. Timothy Ryan, Jr.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Siim A. Vanaselja	✓	✓	✓	✓		✓	✓	✓	✓				✓	✓	✓	✓	

The Committee recognizes that each Director will contribute differently to the Board and will each bring particular strengths in different areas of qualification. While the skills matrix is an important tool in assessing Board candidates, the Committee does not limit itself to considering only the specified areas of expertise or attributes in selecting Board members.

Diversity of the Board of Directors

The Board also believes that diversity is important to ensure that Board members provide the necessary range of perspectives required to achieve effective stewardship of the Corporation.

The Corporation has a Diversity Policy, which includes provisions relating to diversity and the identification and nomination of directors. For purposes of the Diversity Policy, diversity includes, but is not limited to: age; experience; education; geography; gender; sexual orientation; disability; race, nationality, culture, language and other ethnic distinctions, including Indigenous people.

The Diversity Policy was amended in 2020 to include members of visible minorities, Indigenous people, and persons with disabilities in its definition of diversity. The Diversity Policy further provides that in fulfilling its role in recommending to the Board candidates for Director nominations, members of the Governance and Nominating Committee consider candidates that are highly qualified based on their experience, education, expertise, judgment, personal qualities, and general and sector specific knowledge; consider diversity criteria (but not the level of representation of any particular Designated Group (as defined below) beyond women among other relevant criteria), when determining the optimum composition and balance for the Board; review potential candidates from a variety of backgrounds and perspectives, having in mind the Corporation's diversity objectives; and, in order to support the specific objective of gender diversity, ensure that appropriate efforts are made to include women in the list of candidates being considered for a Board position.

The Board recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role of women in contributing to diversity of perspective in the Boardroom. As such, in 2021 the Board of Directors amended the Corporation's Diversity Policy to add an objective of having not less than 30 per cent of the seats on the Corporation's Board of Directors held by women by the completion of the Corporation's annual shareholder meeting to be held in 2025. The Corporation has not adopted an objective regarding the representation of members of the other Designated Groups on the Board.

There are currently two women (15.39 per cent), no "members of visible minorities" (0 per cent), no "persons with disabilities" (0 per cent) and no "Aboriginal peoples" (0 per cent) (each as defined in the *Employment Equity Act* (Canada), the "Designated Groups") on the Board. Out of the individuals nominated for election at the Meeting, three (21.43 per cent) are women and there are no nominees part of the other Designated Groups. The Diversity Policy provides that the Committee will assess the effectiveness of the Board nomination process at achieving the Corporation's diversity objectives on an annual basis. The Corporation's publicly traded subsidiaries, Lifeco and IGM, have publicly disclosed that there were 6 women (out of 19) and 5 women (out of 15) being nominated for election to their respective Board of Directors representing in total 32.35 per cent of their combined nominees.

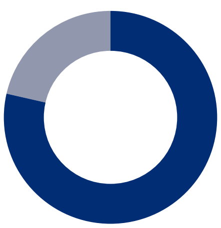
Nomination of Directors and Tenure

The Governance and Nominating Committee and the Board believe that, in addition to the factors discussed above, continuity of membership is critical to the Board's efficient operation. Accordingly, the Board has not adopted policies imposing an arbitrary term or retirement age limit in connection with individuals nominated for election as Directors of the Corporation, as it does not believe that such limits are in the best interests of the Corporation. Such limits fail to take into account the special characteristics of issuers such as Power and its group companies, that operate in a highly complex and technical environment. In such a context, the Corporation believes that a lengthy Board tenure, not limited by arbitrary determinations, is vital to the Directors' understanding of the Corporation's diverse businesses, and those of its group companies, and to their bringing a substantive contribution to the Board. The Corporation's Governance and Nominating Committee annually reviews the composition of the Board, including the age and tenure of individual directors. The Board strives to achieve a balance between the desirability to have a depth of institutional experience from its members on the one hand, and the need for renewal and new perspectives on the other hand. This approach has served the Corporation well, and this is reflected in the increased turnover rate of Directors over the past few years, and in particular, the significant reduction of the size of the Board in 2012.

The combination and diversity of our Directors brings unique perspectives to the Board. The charts below provide a graphical representation of the gender and geographical breakdown of director nominees, as well as the tenure of non-executive director nominees.

Women on the Board

3/14
21.43%



Geographic Diversity

- Québec: 5/14 › **35.71%**
- Ontario: 4/14 › **28.57%**
- Western Canada: 2/14 › **14.29%**
- United States: 2/14 › **14.29%**
- Europe: 1/14 › **7.14%**

Independent Directors Tenure

- 0 to 5 years: 5/11 › **45.45%**
- 6 to 10 years: 3/11 › **27.27%**
- 11 to 15 years: 1/11 › **9.09%**
- 16 to 20 years: 2/11 › **18.18%**

After considering the appropriate size of the Board and the qualifications and attributes that the existing Directors possess, including the level of representation on the Board by Directors who are independent, and after giving consideration to the Diversity Policy, the Governance and Nominating Committee may determine that it would be in the best interests of the Corporation to nominate an individual that is not already a director of the Corporation, for election to the Board. In such situations, the Governance and Nominating Committee identifies a list of targeted qualifications and attributes and conducts its own search by inviting suggestions for potential candidates from the Directors of the Corporation. The Committee also engages one or more qualified independent advisors to identify further qualified candidates, and requires that any such external advisor take account of the objectives of the Corporation's Diversity Policy.

The Committee has recommended that the 14 individuals set out under "Election of Directors – Nominees for Election to the Board" above be nominated for election as Directors of the Corporation at the Meeting.

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 Board has not adopted a "Majority Voting Policy" (as defined by the TSX) for the election of Directors. The Board strongly believes that sound corporate governance is essential to the well-being of the Corporation. The adoption of measures such as a Majority Voting Policy, however, may be inappropriate when such measures do not recognize differences among companies, such as the presence of a controlling shareholder. It is the Board's view that a Majority Voting Policy for the election of Directors does not serve a useful purpose for the shareholders of a controlled company, like the Corporation, since the controlling shareholder will necessarily cast a majority of the votes to be cast in an election of such a company's directors. This view has been accepted by the TSX, which permits controlled companies, like the Corporation, to rely on an exemption from the requirement for TSX-listed companies to adopt majority voting policies. In addition, the current process for the election of Directors of the Corporation complies with corporate and securities laws.

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 a comprehensive 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. 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.

Directors are periodically updated in respect of these matters including by way of quarterly presentations to the Board (from time to time, these presentations are made by an operating subsidiary's executive officer) at Board and Committee meetings, and working Board dinners (when public health requirements allow), regarding the Corporation's major operating subsidiaries and operating segments thereof in addition to the presentations by the Corporation's auditors and other speakers.

Throughout the year, Directors receive:

> presentations by senior executives of the Corporation on different aspects of the Corporation and its subsidiaries or affiliated companies' operations, strategic direction, capital management, finance, human capital, technology initiatives, cybersecurity and key risks; and

> presentations and reports summarizing significant regulatory and market developments.

Specifically, throughout 2020, Directors participated in continuing education presentations that included updates on COVID-19, including its impacts on the Corporations' business and outlook, presentations on the Corporation's operations and results and overviews, updates on and overviews of the Corporation's value creation strategy, the Alternative Asset Management Industry, merger and acquisition activity globally and in the Power Group and the Corporation's investors relations program. Audit Committee members also received presentations on cybersecurity as well as financial system transformation and modernization at the Corporation. During 2020, members of the Human Resource Committee received updates on executive compensation at the Corporation and the impact of COVID-19 on compensation programs and human resources.

Also, Directors receive a comprehensive package of information prior to each Board and Committee meeting. The Corporation maintains a secure electronic platform that includes a comprehensive resource center for Directors. The resource center contains corporate governance documents, including the Corporation's constituting documents, its policies and procedures, the Board and committee charters, position descriptions and the Corporation's incentive plans documents. As noted above, certain of the Corporation's Directors also serve as Directors of the Corporation's public and private company investments. Finally, Directors have access to the Corporation's senior management and employees on an ongoing basis throughout their mandate.

Assessment of Directors

The Governance and Nominating Committee is responsible for assessing the performance and effectiveness of the Board, Board Committees, and individual Directors from time to time, with a view to ensuring that they are fulfilling their respective responsibilities and duties. An evaluation is conducted at least annually to assist in assessing the overall performance of the Board and the Board Committees. Although the scope and focus of such review may vary from year to year, the review includes a confidential Board effectiveness survey, which is administered by the Corporation's external legal counsel and completed by each of the Directors, soliciting feedback from Directors on matters, including the operation of the Board and its Committees, the effectiveness of Board processes and the Board's relationship to management, the adherence by the Board and the Governance and Nominating Committee to the Diversity Policy in nominating individuals for election to the Board, the adequacy of information provided to Directors, Board structure and agenda planning for Board and Board Committee meetings. This year, specific feedback was also requested regarding the use of technology for the holding of Board and Committee meetings given the context of the COVID-19 pandemic. The aggregated, anonymous survey results are reviewed by the Governance and Nominating Committee. The Chair of the Committee reports the findings, including key recommendations, to the full Board for discussion.

Chair, Lead Director and CEO's Position Descriptions

The Board has approved written position descriptions for the Chairman of the Board and for the Chair of each Board Committee. In general terms, the Chairman of the Board and the Chairs of the Board Committees are responsible for ensuring that the Board or the 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 Chief Executive Officer. In general terms, the Chief Executive Officer is 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 approval the Corporation's strategic plans and initiatives with a view to the Corporation's long-term profitable growth and success and presenting the Corporation's annual financial plan to the Board. The Chief Executive Officer is also responsible for overseeing the Corporation's investments in its subsidiaries and affiliates, facilitating, together with the Chairs of the Board and its Committees, effective and transparent interaction between management and the Board, for managing the operations of the Corporation, for assisting the Board with succession planning, and for representing the Corporation to its major stakeholders.

The Board has also approved a written position description for the Lead Director (see "Statement of Corporate Governance Practices – Independence of Directors – Lead Director") and a Charter of Expectations for Directors (see "Statement of Governance Practices – Board of Directors").

Succession Planning

The Board is responsible for overseeing the succession planning processes of the Corporation with respect to senior management positions. The Corporation's succession planning process, which is tailored to its particular circumstances as a holding company with a relatively small management team, includes the identification and consideration of suitable short- and long-term candidates to hold the applicable roles, on both an interim and permanent basis. The Board has mandated the Human Resources Committee to review at least annually, together with the Chief Executive Officer, and approve, the succession plans for the Chief Executive Officer and the other NEOs of the Corporation, with a view to ensuring the continuity of leadership required by the Corporation for the future. Candidates are considered based on various factors, including (where relevant) executive experience, market and industry expertise, geographic location, familiarity with the Corporation's and its subsidiaries' businesses, past performance with the Corporation, as well as past successes in achieving particular corporate goals. The Human Resources Committee also maintains a contingency plan for emergency situations related to illness, disability or other unplanned absences with respect to the Chief Executive Officer and other NEO positions. In addition, the Human Resources Committee periodically reviews the Corporation's talent management initiatives and monitors the development certain employees identified to the Human Resources Committee by the Board, in accordance with succession plans.

Executive Officer Diversity

The Corporation has a Diversity Policy that outlines the Corporation's approach to achieving and maintaining greater diversity on the Corporation's senior management team. The policy provides that in fulfilling their roles of considering candidates for senior management appointments, the Chief Executive Officer of the Corporation considers candidates that are highly qualified based on their experience, education, expertise, judgment, personal qualities, and general and sector-specific knowledge; and review potential candidates from a variety of backgrounds and perspectives, having in mind the Corporation's diversity objectives, including the specific objective of gender diversity. The Corporation's Diversity Policy provides that the Chief Executive Officer of the Corporation will assess the effectiveness of the senior management appointment process at achieving the Corporation's diversity objectives on an annual basis. Furthermore, the policy provides that the Corporation will engage, from time to time, with senior management of the Corporation's publicly traded subsidiaries, through its representation on their boards, on the implementation of their respective diversity policies relating to the senior management appointment process.

The Corporation is committed to cultivating a diverse and inclusive culture, selecting the best person to fulfill senior management roles based on merit and suitability. The Corporation has not adopted a target regarding members of the Designated Groups in executive officer positions as such arbitrary targets are not in the best interests of the Corporation. The Board believes that diversity is important to ensure that the profiles of senior management provide the necessary range of perspectives, experience and expertise required to achieve effective management. The Board recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role of women in contributing to diversity of perspective in senior management roles. Accordingly, the Corporation offers a variety of internal initiatives to its female employees such as career advancement counselling and sponsors the participation of its high performing female employees in external programs, including conferences and higher education programs, in order to prepare female employees for advancement to senior positions. The Corporation has also adopted human resource policies aimed at reducing barriers to gender diversity in the Corporation's senior ranks.

As was the case last year women, "members of visible minorities", "persons with disabilities" and "Aboriginal peoples" (each as defined in the *Employment Equity Act* (Canada)) do not currently occupy any of the executive officer positions with the Corporation, although the Corporation has one woman officer and three officers who are members of visible minorities. Furthermore, as at December 31, 2020, 43 per cent of executive or management roles were held by women. The Corporation's publicly traded subsidiaries, Lifeco and IGM, have each publicly disclosed that women currently hold five executive officer positions, at such subsidiaries (including their respective principal subsidiaries). As a result, women hold a total of 10 executive officer positions within the Corporation's group companies (including its publicly traded subsidiaries and their respective principal subsidiaries), representing 31.25 per cent of the total number of executive officer positions at such entities. Currently, there are three "members of visible minorities" (representing 9.38 per cent of the executive officers of the Corporation and its publicly traded subsidiaries), no "persons with disabilities" and no "Aboriginal peoples" (each as defined in the *Employment Equity Act* (Canada)) in executive officer positions at the Corporation and its publicly traded subsidiaries.

Shareholder Engagement

Power engages with its shareholders on an ongoing basis, in a variety of ways, tailored to its particular context as a holding company. By engaging with a broad range of stakeholders through open dialogue, both formally and informally, senior management gains a better understanding of key topics and can make better decisions on important issues.

There are many ways for stakeholders to engage with the Corporation:

Board of Directors	The Chairman of the Board may communicate from time to time with various stakeholders, including shareholders, regulators and corporate governance groups in connection with governance-related matters. Stakeholders can communicate with the Chairman of the Board by writing to the Corporate Secretary at: corporate.secretary@powercorp.com and indicating "Attn: Chairman of the Board" in the subject line or by writing to the Corporation at: Power Corporation of Canada 751 Victoria Square, Montréal, Québec, Canada H2Y 2J3.
Management	The CEO and other executive officers and members of senior management meet regularly with investors and other stakeholders, including in the context of industry conferences and investor roadshows and with analysts in the context of quarterly earnings calls. In 2020, the Corporation met with 81 investors.
Investors Relations	The investors relations team is responsible for communications with investors and analysts. They provide analyst coverage information, financial ratings, financial information and governance and sustainability information. A section devoted to investors relations can be found on the Corporation's website. Shareholders can contact Power's investors relations by email at investor.relations@powercorp.com
Live Webcast	Management conducts live webcasts of quarterly earnings release calls and they are archived on our website until the following quarterly earnings release call. The presentation documents are also archived on our website. Shareholders can participate in our annual shareholder meeting via a live webcast where they have the ability to ask questions. The presentations used and speeches delivered during our annual shareholder meetings are archived on our website for at least five years.
Corporate Secretary	The Corporate Secretary interacts with shareholders regarding shareholder proposals and corporate governance matters. Shareholders can communicate with the Corporate Secretary at: corporate.secretary@powercorp.com.

In addition, Power's website provides extensive information about the Board, the Board Committees and their charters, and Power's governance framework.

For shareholder questions relating to the payment of dividends, change of address and share certificates, registered shareholders can contact Computershare, the Corporation's transfer agent and registrar at:

Computershare Investor Services Inc.
Shareholder Services
100 University Avenue, 8th Floor
Toronto, Ontario, Canada M5J 2Y1
Telephone: 1-800-564-6253 (toll-free in Canada and the U.S.) or
514-982-7555

Non-registered shareholders should contact their intermediary.

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 and its wholly owned subsidiaries' Directors, officers and employees. A copy of the Code of Conduct is available on SEDAR (www.sedar.com) and on the Corporation's website, 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 Chief Executive Officer or any member of the Audit Committee, as appropriate, in accordance with the Corporation's procedures.

Directors 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). Officers and employees of the Corporation are required to complete annually an online training course on the Code of Business Conduct and its related policies and procedures. The online training course contains testing to demonstrate that employees understand the Code and the other policies of the Corporation. 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 a matter.

The Corporation has also a Third Party Code of Conduct to set forth its expectations of all third parties in their dealings with, or on behalf of the Corporation, as well as a Corporate Social Responsibility Statement and an Environmental Policy which, together with the Third Party Code of Conduct, are available on its dedicated Corporate Social Responsibility website at www.powercorporationcsr.com. The Corporation has also adopted an Anti-Bribery Policy and a Lobbying Policy.

In addition, the Corporation has a Related Party and Conduct Review Committee, the role of which is described earlier in this Management Proxy Circular.

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 ("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 securityholder 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.

You can also communicate with the Corporate Secretary at corporate.secretary@powercorp.com.

APPROVAL BY DIRECTORS

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

Montréal, Québec
March 17, 2021

Stéphane Lemay
Vice-President, General Counsel and Secretary

Schedule A: Shareholder Proposals

POWER CORPORATION OF CANADA

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.

The Mouvement d'éducation et de défense des actionnaires ("MÉDAC"), 82 Sherbrooke Street West, Montréal, Québec, H2X 1X3 had submitted the following two shareholder proposals for consideration at the Meeting. Following discussions between the Corporation and MÉDAC, it was agreed to include these two proposals in the Management Proxy Circular, for information purposes only as they will not be submitted to shareholder votes.

Proposal 1

PURPOSE AND COMMITMENT

It is proposed that the Board of Directors and executive officers specify Power Corporation's purpose as an organization, and that a Board committee be given the mandate to follow up on the deployment of policies, commitments and initiatives implemented to realize this new strategic orientation, particularly in terms of health, environment, human resources and relationships with stakeholders.

ARGUMENTS

In August 2019 the Business Roundtable, an association of leaders of major U.S. businesses, published its Statement on the Purpose of a Corporation, saying that a corporation's purpose should not be limited to the sole pursuit of profit but should take into account all the stakeholders that may be affected by its activities: customers, employees, suppliers, communities and shareholders. Businesses have no reason to exist if they are not socially useful.

The purpose of a business defines the role it intends to play in society, going beyond purely economic activities. According to Jean-Dominique Sénard, President of Renault, translation "The purpose is to join the past to the present; it's the company's DNA. It has no economic significance, but it is based on vision and sense." [It is] "the contribution the company wants to make to the major social, societal, environmental and economic issues of its sector, involving its main stakeholders."[1]

Although many companies have taken several good initiatives in that direction over the years, institutional reports do not reveal a sense of purpose that would match the definition above. Nor is there any Board committee with a mandate to coordinate all actions implementing the selected purpose. More specifically, the mission of such a committee would be:

> to prepare and inform the Board's deliberations on the deployment of policies, commitments and initiatives implemented by Power Corporation of Canada as part of its strategic orientations, particularly in terms of health, environment and human resources;

> to enter into a dialogue with all the stakeholders about how it is achieving such goals and to report on its meetings to the Board;

> to review the non-financial accounting and control systems and the main findings of the non-financial information published by Power Corporation of Canada; and

> to inform the shareholders about all the issues raised during its deliberations.

If such a notion of purpose is to become a concrete reality and not just a marketing slogan, it must be expressed in tangible form through the institution's governance practices.

In today's world, organizations that are not socially useful make no sense to a growing number of investors.

BOARD AND MANAGEMENT STATEMENT

The Corporation has adopted a mission statement, which is available on its website:

"Enhancing shareholder value by actively managing operating businesses and investments which can generate long-term, sustainable growth in earnings and dividends. Value is best achieved through a prudent approach to risk and through responsible corporate citizenship. Power Corporation aims to act like an owner with a long-term perspective and a strategic vision anchored in strong core values."

The core values that have guided, and continue to guide, the Corporation are also reflected in its Corporate Social Responsibility ("CSR") Statement (see also https://www.powercorporationcsr.com/en/). The CSR Statement's objective is to provide guidance to investment professionals at the Corporation, a holding company, facilitating their consideration of potential corporate social responsibility issues when investments are made. The Corporation invests in companies that share the same philosophy and commitment to acting responsibly and ethically, and to serving the wider community in general.

The Corporation's Governance and Nominating Committee is responsible for monitoring the implementation of the Corporation's policy and strategy with respect to CSR. Further, the Corporation's Governance and Nominating Committee Charter was recently amended to provide that such committee will periodically review the Corporation's mission statement and, after discussion with management, recommend any changes to the Board that it deems appropriate.

As agreed with the MÉDAC, this proposal has been withdrawn and is not being submitted to a shareholder vote.

[1] Jean-Dominique Senard: "Le sens et le pourquoi nourrissent la motivation", Les Échos, June 8, 2018 https://business.lesechos.fr/directions-generales/innovation/innovation-sociale/0301754783119-jean-dominique-senard-president-de-michelin-le-sens-et-le-pourquoi-nourrissent-la-motivation-321483.php

Proposal 2

VIRTUAL MEETINGS AND SHAREHOLDERS' RIGHTS

It is proposed that the Board adopt a policy specifying the procedure for virtual annual meetings.

ARGUMENTS

In this past year the pandemic has forced the banks and several other organizations to use new teleconferencing technologies for their annual general meetings. MÉDAC realizes that most organizations were trying out those technologies for the first time, but it and other individuals and organizations submitting shareholders' proposals or wishing to make comments or suggestions at such virtual meetings have unfortunately run into difficulties that prevented them from participating fully. More specifically, this is what we took away from the virtual annual general meetings of 2020: [translation] "unfortunately we were not allowed to speak at those meetings. No shareholders were able to speak during those virtual meetings. The only people who spoke at those meetings were the [corporate] representatives, the executives (of the Board, therefore of the meeting), the CEOs, etc."[1] This reduced role at annual meetings can affect the long-term success of smaller shareholders' proposals, since they cannot argue them in person and build up more support should their proposals be tabled.

These are real threats to shareholder participation, which often takes the form of tabling proposals via circulars and during annual general meetings, after talks with the issuer break down or for any other reason.

Experience over the last 20 years has shown us the added value of shareholders participation and shareholders proposals when it comes to governance: separating the functions of the President and CEO from those of the Board Chair; advisory voting on remuneration for senior executives; disclosure of the remuneration for auditors and remuneration consultants; the presence of women on boards and as executive officers; access to proxies for appointing directors, etc.

We recommend that the Board adopt a policy specifying the procedure for shareholder participation at virtual annual meetings:

> oral presentation of shareholder proposals by the individuals or organizations that submitted them, with at least enough time to read them out;

> on-screen view of the shareholders when they make their presentations, as well as of the executive officers;

> the opportunity to ask spontaneous questions after the executives have responded;

> real time interaction between the shareholders and the meeting Chair; and

> if shareholders' questions cannot be dealt with during the annual meeting, the executives' responses should be filed online on both the company's website and SEDAR no later than ten days after the meeting.

BOARD AND MANAGEMENT STATEMENT

The Corporation continues to be committed to engaging with its shareholders and finding new ways to increase such engagement. For example, since the beginning of 2020, the Corporation commenced the holding of quarterly earning calls, met with 81 investors, created a dedicated email address (corporate.secretary@powercorp.com) where shareholders can contact the Corporation through our Corporate Secretary and adopted a voluntary policy that asks shareholders to consider a non-binding advisory resolution on the Corporation's approach to executive compensation.

To mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders in the context of the COVID-19 pandemic, the 2021 Annual Meeting of Shareholders (the "Meeting") is being held again this year as a completely virtual meeting and will be conducted via live webcast, an approach that many other issuers in Canada have adopted since 2020. While shareholders will not be able to attend the Meeting in person, they will be able to participate in real time and vote at the Meeting.

In addition, shareholders and duly appointed and registered proxyholders will have the ability to submit questions in writing by using the relevant dialog box in the function "Ask a question" during the meeting. The Chair of the Meeting or members of senior management present at the Meeting will answer questions relating to a matter to be voted on before a vote is held on such matter, and general questions will be addressed by them at the end of the Meeting during the question period. For questions asked but not answered during the Meeting, a member of the Corporation's management will aim to contact such shareholder to respond to his/her question to the extent the shareholder has provided an email address when submitting the question. As was the case for physical shareholder meetings, shareholders who have submitted shareholder proposals for the Meeting will be allowed to present their proposals over the telephone during the Meeting.

Participants at the Meeting will be permitted to communicate adequately during the Meeting, regardless of their geographic location, and the Corporation believes that the procedures for attending, voting at and asking questions at the Meeting, as outlined under the heading "Attendance and Participation at the Meeting" and further detailed in the "Virtual Meeting User Guide" that is included in the mailing envelope sent to shareholders, will help ensure that all participants can meaningfully participate in the Meeting without the need for a formal policy.

As agreed with the MÉDAC, this proposal has been withdrawn and is not being submitted to a shareholder vote.

[1] https://medac.qc.ca/1798/

Schedule B: Board of Directors Charter

POWER CORPORATION OF CANADA

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.

2. Procedural Matters

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

2.1 **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.

2.2 **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.

2.3 **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.

2.4 **Secretary >** The Chair (or, in the absence of the Chair, the acting Chair) of the Board shall appoint a person to act as secretary of meetings of the Board.

2.5 **Calling of Meetings >** A meeting of the Board may be called by the Chair of the Board, a Deputy Chair, 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 Chair of the Board, the person(s) calling such meeting shall so advise the Chair of the Board.

2.6 **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 Chair of the Board, may appoint members to and the Chair of each Board Committee, and may transact such other business as comes before the meeting.

2.7 **In-Camera Sessions >** At every regularly-scheduled meeting, the members of the Board who are independent of the Corporation's management shall meet without members of management present, with such in-camera session to be chaired by the Lead Director.

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:

3.1 **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.

3.2 **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.

3.3 **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.

3.4 **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.

3.5 **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.

3.6 **Senior Management >** The Board shall:

[a] approve a position description for, and the appointment of, the President and Chief Executive Officer and approve his or her compensation in accordance with the Charter of the Human Resources Committee;

[b] approve the appointment of senior management (taking into account the objectives of the Corporation's Diversity Policy), 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 and talent management processes of the Corporation with respect to senior management.

3.7 **Clawback Policy >** The Board shall administer the Corporation's Clawback Policy.

3.8 **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.

3.9 **Code of Conduct >** The Board shall support management in seeking to maintain a culture of integrity throughout the Corporation. The Board shall adopt, and subsequently oversee the implementation of, 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 wholly owned subsidiaries 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. The Board shall also require management to establish processes and procedures to monitor compliance with the Code.

3.10 **Chair of the Board >** The Board shall approve a position description for the Chair of the Board.

3.11 **Lead Director >** The Board shall approve a position description for the Lead Director, if any.

3.12 **Board Committees >** The Board shall:

[a] establish an Audit Committee, a Related Party and Conduct Review Committee, a Human Resources 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 Chair of each Board Committee.

3.13 **Director Nomination, Compensation and Assessment >** The Board shall:

[a] nominate and recommend to the shareholders candidates for election to the Board, taking into account the objectives of the Corporation's Diversity Policy;

[b] approve compensation arrangements for the Directors, for the Chair of the Board, for the Lead Director and for the Chairs and members of Board Committees; and

[c] assess, on a regular basis, the structure, composition, size, independence, effectiveness and contribution of the Board, of all Committees of the Board, and of the Directors.

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.

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.

Power Corporation of Canada
751 Victoria Square
Montréal, Québec, Canada H2Y 2J3
www.powercorporation.com