



POWER FINANCIAL
CORPORATION

QUESTIONS AND ANSWERS
relating to the Special Meeting of Shareholders
and the Reorganization

Extract from the Management Proxy Circular
dated January 10, 2020

QUESTIONS AND ANSWERS RELATING TO THE MEETING AND THE REORGANIZATION

The following is intended to answer certain key questions concerning the Meeting and the Reorganization and is qualified in its entirety by the more detailed information appearing elsewhere in this Circular. All capitalized terms used in this question and answer section and not otherwise defined herein have the meanings set forth in the “Glossary” starting on page 115.

Q&A on the Reorganization

Q: Why did I receive this Circular?

A: You received this Circular because, as a Shareholder, you are being asked to consider and, if thought advisable, to approve the Reorganization Resolution.

Q: What is the Reorganization?

A: The Reorganization contemplates, among other things, each of the outstanding Common Shares not currently owned by PCC or its wholly-owned Subsidiaries being exchanged for (i) 1.05 PCC Subordinate Voting Shares and (ii) \$0.01 in cash. Each Shareholder (other than PCC and its wholly-owned Subsidiaries and any Dissenting Holder) will be entitled to receive from PCC for each Common Share (i) 1.05 PCC Subordinate Voting Shares and (ii) \$0.01 in cash.

The Reorganization will be implemented by way of a court-approved plan of arrangement under the CBCA pursuant to the terms of the Arrangement Agreement. The Arrangement Agreement, including the Plan of Arrangement, is attached to this Circular as Appendix “B”.

See “The Reorganization” starting on page 28.

Q: When and where will the Meeting be held?

A: The Meeting of the Shareholders will be held at the InterContinental Hotel, 360 Saint-Antoine St. W., Montréal, Québec H2Y 3X4, at 9:00 a.m. (Eastern time) on February 11, 2020.

Q: What will Minority Shareholders receive under the Reorganization?

A: Each Minority Shareholder (other than Dissenting Holders) will be entitled to receive from PCC for each Common Share: (i) 1.05 PCC Subordinate Voting Shares and (ii) \$0.01 in cash.

Q: If the Reorganization is completed, how many PCC Subordinate Voting Shares will be issued to Shareholders at the Effective Time in connection with the Reorganization?

A: Completion of the Reorganization will result in the issuance of up to approximately 66.4% of the currently outstanding PCC Subordinate Voting Shares. As of the date of this Circular, there were 664,096,506 Common Shares issued and outstanding, of which 425,402,926 are owned, directly or indirectly, by PCC. Based on the foregoing, the aggregate number of PCC Subordinate Voting Shares to be issued to Shareholders under the Reorganization is expected to be 250,628,259 (assuming there are no Dissenting Holders).

See “The Reorganization — Effect of the Reorganization — Consideration for Common Shares”.

Q: Does the Board support the Reorganization?

A: The Board has unanimously approved the Reorganization following the report and favourable recommendation of the Special Committee and unanimously recommends that Minority Shareholders vote FOR the Reorganization

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Resolution. Each director and executive officer of the Company intends to vote his or her Common Shares FOR the Reorganization Resolution.

After the Board had considered, among other things, the terms and conditions of the Reorganization, the advice of RBC and Osler, the Fairness Opinion and Formal Valuations, the recommendation of the Special Committee, and a number of other factors, the Board (i) determined that the Reorganization and the entry into of the Arrangement Agreement are in the best interests of the Company, (ii) determined that the Reorganization is fair to the Minority Shareholders, (iii) approved the Arrangement Agreement and the Reorganization and (iv) recommended that the Minority Shareholders vote for the Reorganization Resolution.

Q: Why is the Board making this recommendation?

A: There are a number of reasons to support the Reorganization as outlined under the heading “The Reorganization — Background to and Reasons for the Reorganization”, including, among others:

- **Increase in Economic Value for Minority Shareholders** – As described by RBC in its Fairness Opinion, economically the Minority Shareholders will receive an incremental 0.7% interest in the assets and liabilities of the Company they already own, plus a 36.7% interest in the Non-PFC Assets and Liabilities, without effectively paying any additional consideration for these assets and liabilities. As a result, based on the analysis described by RBC in the Fairness Opinion and Formal Valuations, and giving effect to the 1.05 exchange ratio, the Reorganization will result in Minority Shareholders receiving PCC Subordinate Voting Shares with a NAV which is \$3.12¹ per share higher than the NAV of the Common Shares as at December 11, 2019.
- **Premium to Current Trading Value of the Common Shares** – Based on the analysis described by RBC in the Fairness Opinion and Formal Valuations, RBC assessed an expected market trading value of \$32.75 to \$33.75 per share for the PCC Subordinate Voting Shares pro forma the Reorganization. Applying the exchange ratio of 1.05 and adding the Cash Consideration of \$0.01 per Common Share to the expected market trading value of \$32.75 to \$33.75 per share for the PCC Subordinate Voting Shares equates to total consideration of \$34.40 to \$35.45 per Common Share for the Minority Shareholders, representing a 4.6% to 7.8% premium to the closing price and 5.3% to 8.5% premium to the 20-day volume weighted average price of the Common Shares respectively on December 11, 2019. Applying the exchange ratio of 1.05 and adding the Cash Consideration of \$0.01 per Common Share to the volume weighted average trading price of the PCC Subordinate Voting Shares of \$33.78 since the announcement of the Reorganization on December 13, 2019 through January 10, 2020 equates to total consideration of \$35.48 per Common Share for the Minority Shareholders, representing a 7.9% premium to the closing price and 8.6% premium to the 20-day volume weighted average price of the Common Shares respectively on December 11, 2019.
- **Simplified Corporate Structure and Expected Reduction in Trading Discount of Subordinate Voting Shares** – The Reorganization will eliminate the current dual-holding company structure of PCC and the Company and consolidate ownership of the group’s industry-leading financial services operating companies. The Special Committee, based on advice from RBC, expected that this in turn would reduce the discount to NAV at which the PCC Subordinate Voting Shares have recently traded. As of market close on December 11, 2019, the Company traded at a discount to NAV of approximately 17% and PCC on a “look-through” basis, using the NAV of PCC’s interest in the Company rather than the Company’s trading value when calculating the NAV of PCC, traded at a discount to NAV of approximately 30%. In the Fairness Opinion, the expected market trading value of the PCC Subordinate Voting Shares following completion of the Reorganization of \$32.75 to \$33.75 per share assumed a market trading discount to NAV of 20% to 22%. Since the announcement of the Reorganization on December 13, 2019 through January 10, 2020, the volume

¹ RBC’s Fairness Opinion indicates that Minority Shareholders will receive PCC Subordinate Voting Shares with a NAV which is \$3.12 per Common Share higher than the NAV of the Common Shares as at December 11, 2019. In the Company’s December 13, 2019 press release announcing the Reorganization, the Company disclosed that Minority Shareholders will receive PCC Subordinate Voting Shares with a NAV that is \$4.50 per Common Share higher than the NAV of the Common Shares. The \$4.50 figure in the press release, which was calculated in a manner consistent with the approach used by equity research analysts and the public reporting practices of PCC and the Company, differs from the \$3.12 figure used by RBC primarily because RBC included a deduction for the capitalization of corporate general and administrative expenses of PCC. For further information on the RBC calculation of the increase in NAV of the PCC Subordinate Voting Shares, see the Fairness Opinion and Formal Valuations, attached as Appendix “C”.

weighted average trading price of the PCC Subordinate Voting Shares has been \$33.78. The Special Committee believes that it is possible that the PCC market trading discount to NAV may narrow further in the future.

- **Independent Fairness Opinion** – RBC, an independent financial advisor and valuator, provided an opinion that, as of December 12, 2019, subject to the assumptions, limitations and qualifications set out therein, the Consideration to be received by Minority Shareholders under the Reorganization is fair, from a financial point of view, to the Minority Shareholders. See “The Reorganization — Fairness Opinion and Formal Valuations”.
- **Increased Public Float and Liquidity** – Minority Shareholders will benefit from a significantly increased public float of approximately 577 million PCC Subordinate Voting Shares outstanding pro forma the Reorganization, compared to a public float of 238 million Common Shares currently held by Minority Shareholders.
- **Operating Expense Reduction** – PCC intends to pursue value enhancing initiatives following the Reorganization. PCC anticipates significant near-term cost reductions of approximately \$50 million per year within two years by eliminating duplicative public company related expenses and rationalizing other general and administrative expenses.
- **Finance Expense Reduction** – PCC and the Company intend to redeem an aggregate of \$350 million of their respective first preferred shares with available cash, resulting in reduced annual financing costs of approximately \$15 million per year.
- **Accretive to Earnings Per Share** – The Reorganization is expected to be accretive to Minority Shareholders on an earnings per share basis (taking into account the run-rate impact of the intended reduction of operating expenses by \$50 million per year and financing costs by \$15 million per year and applying the exchange ratio of 1.05).
- **Increase in PCC’s Quarterly Dividend** – PCC intends to increase the quarterly dividend on the PCC Subordinate Voting Shares by 10% to \$0.4475 per share following the closing of the Reorganization. Based on the exchange ratio of 1.05, Minority Shareholders would receive a dividend of \$0.4699 per Common Share currently held, representing an approximately 3% increase over the current dividend of \$0.4555 per Common Share. PCC has also agreed that if the Company has not set a record date that is prior to the Effective Time in respect of the Company First Quarter Dividend, then, following the Effective Time, PCC shall, subject to applicable Law, set a record date for a dividend that is after the Effective Time to account for the fact that no Company First Quarter Dividend was paid to Shareholders of record prior to the Effective Time.
- **Canadian Tax Deferral** – A Shareholder who is an Eligible Holder should generally be able to exchange Common Shares for the Consideration under the Reorganization on a fully or partially tax-deferred basis for Canadian income tax purposes by making an appropriate Tax Election with PCC.
- **Transaction Certainty** – The completion of the Reorganization is subject to a limited number of conditions, which the Special Committee after consultation with its legal and other advisors believed were likely to be satisfied, considering that the Parties do not anticipate any Regulatory Approvals will be required to be obtained under applicable Laws to consummate the Reorganization other than those already obtained.
- **No Fees Payable on Termination** – No termination fees are payable by the Company if the Company or PCC terminates the Arrangement Agreement. In such circumstances each Party will pay its own expenses.
- **Arrangement Agreement Terms** – The terms and conditions of the Arrangement Agreement are, in the judgment of the Special Committee following consultation with its advisors, reasonable and were the result of arm’s length negotiations between PCC and the Special Committee on behalf of the Company and their respective advisors.
- **Shareholder Approval Required** – The Reorganization must be approved by (i) at least 66²/₃% of the votes cast at the Meeting by Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat, and (ii) a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting after excluding the votes attached to Common Shares that, to the knowledge of the Company and its directors and senior officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by “interested parties” or certain “related parties” of such interested parties

(as such terms are defined in MI 61-101). See “Certain Legal and Regulatory Matters — Securities Laws Matters — Canadian Securities Laws Matters — Minority Approval”.

- **Determination of Fairness by the Court** – The Reorganization will only become effective if, after hearing from all Persons who choose to appear before it, the Court determines that the Reorganization is fair and reasonable.

Q: What level of Shareholder approval is required?

A: At the Meeting, Shareholders will be asked to vote to approve the Reorganization Resolution. The approval of the Reorganization Resolution will require the affirmative vote of:

- a) at least two-thirds of the votes cast on the Reorganization Resolution by Shareholders present in person or represented by proxy at the Meeting; and
- b) a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting after excluding the votes attached to Common Shares that, to the knowledge of the Company and its directors and senior officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by “interested parties” or certain “related parties” of such interested parties (as such terms are defined in MI 61-101).

Q: What percentage of the voting rights will the PCC Subordinate Voting Shares represent?

A: After completion of the Reorganization and PCC Participating Preferred Share Issuances, it is expected that Shareholders (other than PCC and its wholly-owned Subsidiaries) will own in aggregate (i) approximately 36.74% of the total number of outstanding PCC Participating Preferred Shares and PCC Subordinate Voting Shares, if Pansolo subscribes for 5 million PCC Participating Preferred Shares and the other holders of PCC Participating Preferred Shares exercise their Pre-Emptive Right in full, and (ii) approximately 36.68% of the total number of outstanding PCC Participating Preferred Shares and PCC Subordinate Voting Shares, if Pansolo subscribes for 6 million PCC Participating Preferred Shares and the other holders of PCC Participating Preferred Shares exercise their Pre-Emptive Right in full.

After completion of the Reorganization and PCC Participating Preferred Share Issuances, the PCC Subordinate Voting Shares (including the PCC Subordinate Voting Shares issued as part of the Consideration) will represent (i) approximately 53.80% of the aggregate voting rights attached to PCC’s outstanding voting shares, if Pansolo subscribes for 5 million PCC Participating Preferred Shares and the other holders of PCC Participating Preferred Shares exercise their Pre-Emptive Right in full and (ii) approximately 53.34% of the aggregate voting rights attached to PCC’s outstanding voting shares, if Pansolo subscribes for 6 million PCC Participating Preferred Shares and the other holders of PCC Participating Preferred Shares exercise their Pre-Emptive Right in full.

Q: When does the Company expect the Reorganization to become effective?

A: The Company and PCC expect the Reorganization to be completed in February 2020, subject to receipt of all required approvals. It is anticipated that the Reorganization will be completed as soon as all conditions have been satisfied or waived, including receipt of the Required Shareholder Approval, the Court Approval and the Key Regulatory Approvals, if any. However, completion of the Reorganization is dependent on many factors and it is not possible at this time to determine precisely when or if the Reorganization will become effective.

As provided under the Arrangement Agreement, the Reorganization cannot be completed later than April 30, 2020, unless such Outside Date is extended in accordance with terms of the Arrangement Agreement.

Q: What will happen to the Company if the Reorganization is completed?

A: The Company expects that the Common Shares will be delisted from the TSX promptly following the completion of the Reorganization. The Company First Preferred Shares will remain outstanding shares of the Company and listed on the TSX following the completion of the Reorganization, and the Company’s 6.9% debentures due March 11, 2033

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will remain outstanding as obligations of the Company. As a result of such securities remaining outstanding, the Company will remain a reporting issuer in each of the provinces and territories of Canada.

Q: Will the PCC Subordinate Voting Shares to be issued to Minority Shareholders be traded on an exchange?

A: PCC has applied to the TSX to list the PCC Subordinate Voting Shares to be issued pursuant to the Reorganization. Listing will be subject to PCC fulfilling all of the requirements of the TSX. Once approval is received, the PCC Subordinate Voting Shares will be freely tradeable on the TSX under the symbol “POW”. PCC Subordinate Voting Shares are not listed on any other exchange.

Q: Will Shareholders be entitled to fractional shares?

A: In no event will any holder of Common Shares be entitled to a fractional PCC Subordinate Voting Share. Where the aggregate number of PCC Subordinate Voting Shares to be issued to a Shareholder as consideration under or as a result of the Reorganization would result in a fraction of a PCC Subordinate Voting Share being issuable, the number of PCC Subordinate Voting Shares to be received by such Shareholder shall be rounded down to the nearest whole PCC Subordinate Voting Share and, in lieu of a fractional PCC Subordinate Voting Share, the Shareholder shall receive a cash payment from PCC (rounded down to the nearest cent) equal to (i) the fraction of a PCC Subordinate Voting Share otherwise issuable, multiplied by (ii) the volume weighted average trading price of PCC Subordinate Voting Shares on the TSX for the five trading days on which such shares trade on the TSX immediately preceding the Effective Date. For greater certainty, holders will be entitled to receive the portion of the Consideration payable in cash equal to \$0.01 per Common Share in cash without rounding.

Q: Are Shareholders entitled to Dissent Rights?

A: Registered Shareholders are entitled to dissent in respect of the Reorganization Resolution in the manner provided in section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. A Registered Shareholder who wishes to dissent must provide a Dissent Notice to the Company at its principal executive office located at 751 Victoria Square Montréal, Québec H2Y 2J3 by mail, hand or courier to the attention of the Vice-President, General Counsel and Secretary at or before 5:00 p.m. (Eastern time) on February 7, 2020 or, in the event that the Meeting is adjourned or postponed, no later than 5:00 p.m. (Eastern time) on the date that is two Business Days before the adjourned or postponed Meeting is reconvened or held, as the case may be. A failure to strictly comply with the provisions of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss of a Shareholder’s Dissent Rights.

Registered Shareholders who are considering exercising Dissent Rights should be aware that there can be no assurance that the fair value of their Common Shares as determined under the applicable provisions of the CBCA (as modified by the Plan of Arrangement and the Interim Order) will be more than or equal to the Consideration payable under the Reorganization. In addition, any judicial determination of fair value may result in a delay of receipt by a Dissenting Holder of consideration for such Dissenting Holder’s Dissent Shares.

In many cases, Common Shares beneficially owned by a Non-Registered Shareholder are registered either (i) in the name of an Intermediary or (ii) in the name of a clearing agency (such as CDS) of which the Intermediary is a participant. Accordingly, a Non-Registered Shareholder will not be entitled to exercise Dissent Rights directly (unless the Common Shares are re-registered in the Non-Registered Shareholder’s name). A Non-Registered Shareholder who wishes to exercise Dissent Rights should immediately contact the Intermediary with whom the Non-Registered Shareholder deals in respect of its Common Shares and either (i) instruct the Intermediary to exercise the Dissent Rights on the Non-Registered Shareholder’s behalf (which, if the Common Shares are registered in the name of CDS or other clearing agency, may require that such Common Shares first be re-registered in the name of the Intermediary) or (ii) instruct the Intermediary to re-register such Common Shares in the name of the Non-Registered Shareholder, in which case the Non-Registered Shareholder would be able to exercise the Dissent Rights directly.

See “Dissenting Holders’ Rights”.

Q: How do I vote on the Reorganization Resolution?

A: Shareholders can vote online, on the phone, in writing or in person or by proxy at the Meeting. The procedure for voting is different for Registered Shareholders and Non-Registered Shareholders.

Registered Shareholders can vote in one of the following ways:

Internet	Go to www.investorvote.com . Enter the 15-digit control number printed on the form of proxy and follow the instructions on screen.
Phone	For Canadian and USA Shareholders, call 1-866-732-8683 Toll Free. For International Shareholders, call 312-588-4290 Direct Dial. You will need to enter your 15-digit control number. Follow the interactive voice recording instructions to submit your vote.
Fax	Enter voting instructions, sign and date the form of proxy and send your completed form of proxy to: Toronto Office of Computershare Investor Services Inc., Attention: Proxy Department, 1-866-249-7775 (toll free, within Canada and the United States only), 416-263-9524 (outside Canada and the United States).
Mail	Enter voting instructions, sign and date the form of proxy and return your completed form of proxy in the enclosed postage paid envelope to: Computershare Investor Services Inc. Attention: Proxy Department 8th Floor, 100 University Avenue Toronto, ON M5J 2Y1
Hand Delivery	Enter voting instructions, sign the form of proxy and deliver your completed form of proxy to: Computershare Investor Services Inc. Attention: Proxy Department 8th Floor, 100 University Avenue Toronto, ON M5J 2Y1
In Person	You can attend the Meeting and register with Computershare Investor Services Inc. upon your arrival. Do not fill out and return your form of proxy if you intend to vote in person at the Meeting.
Questions?	Contact Kingsdale Advisors by telephone at 1-877-659-1825 (toll-free within North America), +1-416-867-2272 (for collect calls outside of North America) or by email at contactus@kingsdaleadvisors.com .

You should carefully read and consider the information contained in this Circular. Registered Shareholders who do not wish or are unable to attend the Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy or, alternatively, over the internet, in each case in accordance with the instructions set out in the enclosed form of proxy and elsewhere in this Circular. In order to be voted at the Meeting, proxies must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc., by mail at 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1 (or voted by telephone or the Internet by following the instructions on the accompanying form of proxy) not later than 9:00 a.m. (Eastern time) on February 7, 2020 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holiday) before any postponed or adjourned Meeting. The deadline for deposit of proxies may be waived or extended

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by the chair of the Meeting at his discretion, without notice. Failure to properly complete or deposit a proxy may result in its invalidation.

If you hold your Common Shares through an Intermediary, please follow the instructions on the voting instruction form (“**VIF**”) or proxy form provided by such Intermediary to ensure that your vote is counted at the Meeting and contact your Intermediary for instruction.

Non-Registered Shareholders can vote in one of the following ways:

Internet	Go to www.proxyvote.com . Enter the 16-digit control number printed on the VIF and follow the instructions on screen.
Phone	For Canadian Non-Registered Shareholders, call 1-800-474-7493 (English) or 1-800-474-7501 (French). For United States Non-Registered Shareholders, call 1-800-454-8683. You will need to enter your 16-digit control number. Follow the interactive voice recording instructions to submit your vote.
Fax	For Canadian Non-Registered Shareholders, enter your voting instructions, sign and date the VIF, and return the completed VIF by fax to 905-507-7793 or 1-866-623-5305.
Mail	Enter your voting instructions, sign and date the VIF, and return the completed VIF in the enclosed postage paid envelope.
Questions?	Contact Kingsdale Advisors by telephone at 1-877-659-1825 (toll-free within North America), +1-416-867-2272 (for collect calls outside of North America) or by email at contactus@kingsdaleadvisors.com .

See “Information Concerning the Meeting and Voting”.

Q: Who is soliciting my proxy?

A: This Circular is sent in connection with the solicitation by the management of the Company of proxies for use at the Meeting or any adjournment(s) or postponement(s) thereof. The method of solicitation will be primarily by mail. However, proxies may also be solicited by employees of the Company in writing or by telephone at nominal cost. The Company has engaged a proxy solicitation firm, Kingsdale Advisors, to solicit proxies on behalf of the Company.

Q: Who is eligible to vote?

A: The Company has fixed 5:00 p.m. (Eastern time) on December 27, 2019, as the Record Date for the purpose of determining Shareholders entitled to receive notice of and vote at the Meeting or any postponement or adjournment thereof. Each Shareholder is entitled to one vote at the Meeting, or any postponement or adjournment thereof, for each Common Share registered in the holder’s name as at the close of business on the Record Date.

Q: Does any Shareholder beneficially own 10% or more of the Common Shares?

A: To the knowledge of the directors and senior officers of the Company, as of December 27, 2019, PCC exercised control over 425,402,926 Common Shares in the aggregate, representing approximately 64.1% of the outstanding shares of such class. The Trust exercises control over Pansolo which, directly and indirectly, owns voting shares of PCC carrying a majority of the aggregate votes attached to all outstanding voting shares of PCC.

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To the knowledge of the directors and senior officers of the Company, no other person or company beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class of voting securities of the Company.

Q: What if I acquire ownership of Common Shares after the Record Date?

A: You will not be entitled to vote Common Shares acquired after the Record Date at the Meeting. Only persons owning Common Shares as of the Record Date are entitled to vote at the Meeting.

Q: Should I send in my proxy now?

A: Yes. Once you have carefully read and considered the information in this Circular, you should complete and submit the enclosed VIF or form of proxy. You are encouraged to vote well in advance of the proxy cut-off time at 9:00 a.m. (Eastern time) on February 7, 2020 to ensure your Common Shares are voted at the Meeting. If the Meeting is postponed or adjourned, your proxy must be received not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the postponed or adjourned Meeting. Late proxies may be accepted or rejected by the chair of the Meeting in his or her discretion. The chair is under no obligation to accept or reject any particular late proxy. The time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion, without notice.

Q: What happens if I send in my proxy without specifying how to vote?

A: The persons designated in the form of proxy or voting instruction form will vote for or against the Common 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 Common Shares will be voted for or against, accordingly. In the absence of such instructions, Common Shares represented by a proxy will be voted for or against, 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 for the Reorganization Resolution.

Q: Can I revoke my vote after I have voted by proxy?

A: Yes. 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 Investor Services Inc. or at the registered office of the Company, located at 751 Victoria Square, Montréal, Québec, Canada, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used, or with the chair of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, or in any other manner permitted by law, but prior to the exercise of such proxy in respect of any particular matter.

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.

Q: Who is responsible for counting and tabulating the votes by proxy?

A: Votes by proxy are counted and tabulated by the Company's transfer agent, Computershare Investor Services Inc.

Q: What are the tax consequences of the Reorganization for Shareholders?

A: A Shareholder who is an Eligible Holder should generally be able to exchange Common Shares for the Consideration under the Reorganization on a fully or partially tax-deferred basis for Canadian income tax purposes by making an appropriate Tax Election with PCC. The exchange by a U.S. Holder (as defined below) of the Common Shares for the Consideration will be a taxable transaction for U.S. federal income tax purposes. Shareholders are urged to consult their own legal and tax advisors with respect to the tax consequences to them of the Reorganization having

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regard to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, territory, state, local or other jurisdiction that may be applicable to the Shareholder.

Q: Who can I contact if I have additional questions?

A: If you have any questions, please contact Kingsdale Advisors, the Company's strategic shareholder advisor and proxy solicitation agent, toll free at 1-877-659-1825 or by email at contactus@kingsdaleadvisors.com or the Company's transfer agent, Computershare Investor Services Inc. at 100 University Ave, 8th Floor, Toronto, Ontario, M5J 2Y1.

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