



Compensation Committee Charter

1. Membership

The Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) shall consist of not less than three Directors. None of the members of the Committee may be officers or employees of Power Financial Corporation (the “*Corporation*”) or a subsidiary of the Corporation. Members of the Committee shall be appointed by the Board and shall serve as members at the pleasure of the Board. The Board shall also appoint the Chair of the Committee.

2. Procedural Matters

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

- 2.1 **Meetings** – The Committee shall meet as often as may be necessary to discharge its duties and responsibilities hereunder. The Committee may meet at any place within or outside of Canada.
- 2.2 **Advisers** – The Committee may, at the Corporation’s expense, engage such compensation consultants and other 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 Committee shall be a majority of the Committee members.
- 2.4 **Secretary** – The Chair (or, in the absence of the Chair, the acting Chair) of the Committee shall appoint a person to act as secretary of meetings of the Committee.
- 2.5 **Calling of Meetings** – A meeting of the Committee may be called by the Chair of the Committee, by an Executive Co-Chair of the Board, or by a majority of the Committee members, on not less than 48 hours’ notice to the members of the Committee specifying the place, date and time of the meeting. Meetings may be held at any time without notice if all members of the Committee waive notice. If a meeting of the Committee is called by anyone other than an Executive Co-Chair of the Board, the person(s) calling such meeting shall so inform the Executive Co-Chairs of the Board and the Chair of the Committee.
- 2.6 **In-Camera Session** – At each meeting of the Committee, the members of the Committee shall meet without members of management present. The Committee shall also meet periodically with the compensation consultants without management present.



3. Duties and Responsibilities

In addition to any other duties and responsibilities assigned to it from time to time by the Board, the Committee shall have the following duties and responsibilities:

- 3.1 **Compensation of Employees** – The Committee shall annually:
- a. review and recommend for approval by the Board the criteria relevant to the compensation of the Chair, if appropriate, and the President and Chief Executive Officer, evaluate their performance having regard to such criteria, and recommend for approval by the Board the salary, bonus, equity compensation and, if applicable, other compensation arrangements for them; and
 - b. review the recommendations of the President and Chief Executive Officer with respect to the compensation of employees of the Corporation holding the title of Senior Vice-President or higher, other than those whose compensation is set by the Compensation Committee of the Board of Power Corporation of Canada (the “*Designated Employees*”) and approve the salary, bonus, and, if applicable, other compensation arrangements, for each of the Designated Employees (other than for the Chair and the President and Chief Executive Officer) and approve the amount and terms of all grants under equity compensation plans for all employees and report to the Board thereon.
- 3.2 **Compensation Plans, Policies and Guidelines.**
- a. The Committee shall periodically review management’s recommendations with respect to the compensation policies and guidelines applicable to employees of the Corporation and shall approve such compensation policies and guidelines as it deems appropriate.
 - b. The Committee shall recommend for approval by the Board such incentive compensation plans, equity compensation plans, registered pension plans, supplemental pension plans and other compensation plans for employees of the Corporation as it deems appropriate, and shall determine the officers and employees of the Corporation and/or its affiliates to be covered by such plans.
 - c. In performing its duties and exercising its powers, the Committee shall consider the implications of the risks associated with the Corporation’s compensation policies and practices.
- 3.3 **Loans to Designated Employees** – The Committee shall approve any loan program that is generally applicable to employees of the Corporation and shall review and, if appropriate, approve, any proposed loans to Designated Employees that do not fall within the scope of any such program.
- 3.4 **Director Compensation** – The Committee shall recommend to the Board for approval compensation arrangements for the Directors, for the Executive Co-Chairs of the Board, and for the Chairs and members of Board committees.
- 3.5 **Reporting to the Shareholders** – The Committee shall review any reports or other documentation containing information on executive compensation, director compensation and the Committee’s annual work plan before any such information is publicly disclosed.



- 3.6 **Succession Planning** – The Committee shall periodically review succession plans for the Designated Employees. In reviewing the management succession plans for Designated Employees, the Committee shall take into account the objectives of the Corporation’s Diversity Policy.
- 3.7 **Director Share Holdings** – The Committee shall from time to time review the Corporation’s policy on Director share holdings and monitor its implementation.

4. Access to Information

The Committee 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 Committee shall periodically review this Charter and recommend any changes to the Board that it deems appropriate.

6. Reporting

The Chair of the Committee shall report to the Board at its next regularly scheduled meeting on matters reviewed or considered by the Committee since the Chair’s last report to the Board.

Adopted by the Board of Directors on March 29, 2006, as amended August 7, 2009; amended by the Committee on March 13, 2012 and adopted by the Board of Directors on March 14, 2012; and amended by the Committee on March 21, 2018 and adopted by the Board of Directors on March 23, 2018.