

Prospectus Supplement to the Short Form Base Shelf Prospectus dated November 23, 2020.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement, together with the short form base shelf prospectus dated November 23, 2020 to which it relates, as amended or supplemented, and each document incorporated by reference into the short form base shelf prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

These securities have not been and will not be registered under the Securities Act of 1933 of the United States of America. These securities may not be offered, sold or delivered in the United States and this prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States.

Information has been incorporated by reference into this prospectus supplement from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Power Financial Corporation, 751 Victoria Square, Montréal, Québec H2Y 2J3 (telephone: (514) 286-7400), and are also available electronically at www.sedar.com.

PROSPECTUS SUPPLEMENT

New Issue

October 8, 2021



POWER FINANCIAL
CORPORATION

\$200,000,000

4.50% Non-Cumulative First Preferred Shares, Series 23

This prospectus supplement (the “**Prospectus Supplement**”) qualifies the distribution (the “**Offering**”) of 8,000,000 4.50% Non-Cumulative First Preferred Shares, Series 23 (the “**Series 23 First Preferred Shares**”) of Power Financial Corporation (“**Power Financial**” or the “**Corporation**”). The holders of the Series 23 First Preferred Shares will be entitled to receive fixed non-cumulative preferential cash dividends, if, as and when declared by the Board of Directors of the Corporation (the “**Board of Directors**”) at a rate equal to \$1.125 per share per annum. The initial dividend, if declared, will be payable on January 31, 2022 and will be \$0.33288 per share, based upon an anticipated issue date of October 15, 2021. Thereafter, dividends will be payable quarterly on the last day of January, April, July and October in each year at a rate of \$0.28125 per share. Certain provisions relating to the Series 23 First Preferred Shares are summarized under “*Details of the Offering*”.

On and after January 31, 2027, the Corporation may, on not less than 30 nor more than 60 days’ notice, redeem for cash the Series 23 First Preferred Shares in whole or in part, at the Corporation’s option, at \$26.00 per share if redeemed prior to January 31, 2028, \$25.75 if redeemed on or after January 31, 2028 and prior to January 31, 2029, \$25.50 if redeemed on or after January 31, 2029 and prior to January 31, 2030, \$25.25 if redeemed on or after January 31, 2030 and prior to January 31, 2031 and \$25.00 if redeemed on or after January 31, 2031, in each case together with all declared and unpaid dividends to but excluding the date of redemption. See “*Details of the Offering*”.

The Underwriters may offer the Series 23 First Preferred Shares at a price lower than that stated above. See “Plan of Distribution”.

BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., National Bank Financial Inc., TD Securities Inc., Casgrain & Company Limited and Desjardins Securities Inc. (collectively, the “**Underwriters**”), as principals, conditionally offer Series 23 First Preferred Shares, subject to prior sale, if, as and when issued by Power Financial and accepted by the Underwriters in accordance with the conditions contained

in the underwriting agreement referred to under “*Plan of Distribution*” below, and subject to approval of certain legal matters on behalf of Power Financial by Blake, Cassels & Graydon LLP and on behalf of the Underwriters by Norton Rose Fulbright Canada LLP. See “*Plan of Distribution*”. In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 23 First Preferred Shares at a level above that which might otherwise prevail in the open market.

The Toronto Stock Exchange (the “**TSX**”) has conditionally approved the listing of the Series 23 First Preferred Shares. Listing will be subject to Power Financial fulfilling all of the requirements of the TSX on or before January 4, 2022.

The Corporation’s head and registered office is located at 751 Victoria Square, Montréal, Quebec, H2Y 2J3.

Price: \$25.00 per share

	Price to the Public	Underwriters’ Fee ⁽¹⁾	Net Proceeds to the Corporation ⁽²⁾
Per Series 23 First Preferred Share	\$25.00	\$0.75	\$24.25
Total	\$200,000,000	\$6,000,000	\$194,000,000

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- (1) The Underwriters’ fee is \$0.25 for each Series 23 First Preferred Share sold to certain institutions and \$0.75 per share for all other Series 23 First Preferred Shares sold. The commission set forth in the table assumes that no shares are sold to such institutions.
- (2) Before deduction of expenses of the issue payable by the Corporation estimated at \$750,000, which, together with the Underwriters’ fee will be paid out of the gross proceeds of the Offering.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing date will be on or about October 15, 2021 or such other date not later than November 12, 2021 as may be agreed upon by the Corporation and the Underwriters. The Series 23 First Preferred Shares will be issued in “book-entry” certificated or uncertificated form, will be registered in the name of CDS Clearing & Depository Services Inc. (“**CDS**”), or its nominee, and will be deposited with CDS on the closing of this offering. A purchaser of the Series 23 First Preferred Shares will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the shares are purchased. See “*Book-Entry Only Securities*” in the Prospectus (as defined herein).

The CUSIP / ISIN for the Series 23 First Preferred Shares will be 73927C118 / CA73927C1187.

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In this Prospectus Supplement, unless otherwise indicated, capitalized terms which are defined in the accompanying short form base shelf prospectus of the Corporation dated November 23, 2020 (the “**Prospectus**”) are used herein with the meanings defined therein. Unless otherwise indicated, all references in this Prospectus Supplement to “\$” or “dollars” are to Canadian dollars.

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus Supplement, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Corporation's and Power Corporation of Canada's ("**Power**") current expectations, or with respect to disclosure regarding the Corporation's and Power's public subsidiaries, reflect such subsidiaries' disclosed current expectations. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation's and Power's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and the reader is cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the Corporation's and Power's operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation, Power and their respective subsidiaries including the fintech strategy, the expected impact of the COVID-19 pandemic on the Corporation's, Power's and their respective subsidiaries' operations, results and dividends, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, the expected closing of the Offering, the issuance of the Series 23 First Preferred Shares, the intended use of proceeds of the Offering, the redemption of the Corporation's First Preferred Shares, Series I, the intended effects of the Reorganization (as defined in the Q2 2021 MD&A (as defined herein)), Power's NCIB (as defined in the Q2 2021 MD&A), management of standalone businesses to realize value over time, fundraising activities by investment platforms, timing of the proposed GP Strategies transaction (as defined in the Q2 2021 MD&A), and the Corporation's and Power's subsidiaries' disclosed expectations, including the acquisition of the Prudential full service retirement business (as defined in the Q2 2021 MD&A), ClaimSecure Inc., Ark Life Assurance Company and related synergies, impacts and timing thereof as well as a result of the acquisition of the retirement services business of Massachusetts Mutual Life Insurance Company, Personal Capital Corporation, Northleaf Capital Group Ltd. and related synergies, impacts and timing thereof. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved.

A variety of factors, many of which are beyond the Corporation's, Power's and their respective subsidiaries' control, affect the operations, performance and results of the Corporation, Power and their respective subsidiaries and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, fluctuations in interest rates, inflation and foreign exchange rates, monetary policies, business investment and the health of local and global equity and capital markets, management of market liquidity and funding risks, risks related to investments in private companies and illiquid securities, risks associated with financial instruments, changes in accounting policies and methods used to report financial condition (including uncertainties associated with significant judgments, estimates and assumptions), the effect of applying future accounting changes, business competition, operational and reputational risks, technological changes, cybersecurity risks, changes in government regulation and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, man-made disasters, terrorist attacks, wars and other conflicts, or an outbreak of a public health pandemic or other public health crises (such as COVID-19), the Corporation's, Power's and their respective subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, the Corporation's, Power's and their respective subsidiaries' success in anticipating and managing the foregoing factors and with respect to forward-looking statements of the Corporation's and Power's public subsidiaries disclosed in this Prospectus Supplement, the factors identified by such subsidiaries in their respective Management's Discussion and Analysis.

The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Information contained in forward-looking statements is

based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the availability of cash to complete purchases under the NCIB, that the list of factors in the previous paragraph, collectively, are not expected to have a material impact on the Corporation, Power and their respective subsidiaries and with respect to the forward-looking statements of the Corporation's and Power's public subsidiaries disclosed in this Prospectus Supplement, the risks identified by such subsidiaries in their respective Management's Discussion and Analysis and Annual Information Form most recently filed with the securities regulatory authorities in Canada and available at www.sedar.com. While the Corporation and Power consider these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

Other than as specifically required by applicable Canadian law, the Corporation and Power undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties of the Corporation's and Power's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in the documents incorporated herein by reference, including Power's Annual Information Form dated March 23, 2021 and its Management's Discussion and Analysis of the financial condition and financial performance for the year ended December 31, 2020 and the Q2 2021 MD&A, all filed with the Autorité des marchés financiers and other securities regulatory authorities in Canada and available at www.sedar.com.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Norton Rose Fulbright Canada LLP, counsel to the Underwriters, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (together, the "**Tax Act**") in force on the date hereof and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance of Canada prior to the date hereof (the "**Proposals**"), the Series 23 First Preferred Shares to be issued under this Prospectus Supplement, if issued on the date hereof, would be, on such date, qualified investments under the Tax Act for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), deferred profit sharing plans, registered education savings plans ("**RESPs**"), registered disability savings plans ("**RDSPs**") and tax-free savings accounts ("**TFSAs**"), each as defined in the Tax Act.

Notwithstanding the foregoing, if the Series 23 First Preferred Shares are a "prohibited investment" for the purposes of a TFSA, RRSP, RRIF, RESP or RDSP, the holder of such TFSA or RDSP, the annuitant of such RRSP or RRIF or the subscriber of such RESP, as the case may be, will be subject to a penalty tax as set out in the Tax Act. Provided that the holder of a TFSA or RDSP, the annuitant under an RRSP or RRIF or the subscriber of an RESP does not hold a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Corporation, and provided that such holder, annuitant or subscriber deals at arm's length with the Corporation for purposes of the Tax Act, the Series 23 First Preferred Shares will not be prohibited investments for a trust governed by such TFSA, RDSP, RRSP, RRIF or RESP. The Series 23 First Preferred Shares will also not be prohibited investments for a trust governed by a TFSA, RDSP, RRSP, RRIF or RESP provided that the Series 23 First Preferred Shares are "excluded property" as defined in subsection 207.01(1) of the Tax Act for such trust.

Holders of a TFSA or RDSP, annuitants under an RRSP or RRIF and subscribers of an RESP should consult their own tax advisors regarding whether the Series 23 First Preferred Shares will be prohibited investments in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Prospectus as of the date hereof and solely for the purpose of the Offering. The following documents filed by Power Financial with the various securities commissions or similar authorities in each of the provinces and territories of Canada are incorporated by reference into this Prospectus Supplement:

- (i) the Annual Information Form of Power dated March 23, 2021, including documents incorporated by reference therein (the “**Annual Information Form**”);
- (ii) the unaudited interim condensed consolidated financial statements of Power as at June 30, 2021 and for the three- and six-month periods ended June 30, 2021 and 2020, together with the notes thereto (the “**Interim Financial Statements**”);
- (iii) the interim Management’s Discussion and Analysis of the financial condition and performance of Power for the three- and six-month periods ended June 30, 2021 (the “**Q2 2021 MD&A**”);
- (iv) the audited consolidated financial statements of Power as at and for the years ended December 31, 2020 and 2019, together with the notes thereto, and the independent auditor’s report thereon (the “**Annual Financial Statements**”);
- (v) the Management’s Discussion and Analysis of the financial condition and performance of Power for the year ended December 31, 2020 (the “**Annual MD&A**”);
- (vi) the Management Proxy Circular dated March 17, 2021 with respect to the Annual Meeting of Shareholders of Power held on May 14, 2021; and
- (vii) the template version of the term sheet dated October 6, 2021 regarding the distribution of the Series 23 First Preferred Shares (the “**Marketing Materials**”).

Any documents of the types referred to in the preceding paragraphs (i) through (vii), as well as all business acquisition reports, material change reports (other than confidential material change reports, if any), any news release issued by Power Financial or Power that specifically states that it is to be incorporated by reference in the Prospectus for purposes of the Offering and other documents disclosing additional information as may be required to be incorporated by reference herein under applicable securities laws or pursuant to the Corporation’s reliance on the Decision (as defined below), which are filed by the Corporation with the securities regulatory authorities in any of the provinces and territories of Canada after the date of this Prospectus Supplement and prior to the termination of the distribution of the Offering shall be deemed to be incorporated by reference into this Prospectus Supplement.

Any statement contained in this Prospectus Supplement or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement.

MARKETING MATERIALS

The Marketing Materials are not part of this Prospectus Supplement or the Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus Supplement or any amendment thereof. Any “template version” of “marketing materials” (each as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed with the securities commission or similar authority in each of the provinces and territories of Canada in connection with the Offering after the date hereof but prior to the termination of distribution of the Series 23 First Preferred Shares under this Prospectus Supplement (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference herein and in the Prospectus.

RECENT DEVELOPMENTS

On July 21, 2021, Great-West Life & Annuity Insurance Company (“**Empower Retirement**”), an indirect wholly-owned subsidiary of Great-West Lifeco Inc. (“**Lifeco**”), a subsidiary of the Corporation, announced it had entered into a master transaction agreement in connection with the acquisition of the Prudential full-service retirement business (as defined in the Q2 2021 MD&A) (the “**Acquisition**”). The Acquisition is expected to increase Empower Retirement’s base and strengthen its overall offering for participants and sponsors through additional expertise, an expanded product offering and new capabilities from Prudential. The Acquisition is expected to be funded with the net proceeds of the offering by Lifeco (the “**LRCN Offering**”) of \$1,500,000,000 aggregate principal amount of 3.60% Limited Recourse Capital Notes Series 1 (Subordinated Indebtedness) (the “**Notes**”) which was completed on August 16, 2021 and approximately \$1.0 billion in short-term debt financing, in addition to existing resources. The Acquisition is expected to close in the first quarter of 2022, subject to required regulatory approvals and other customary closing conditions. For additional details regarding the Acquisition, please see the “*Publicly Traded Operating Companies – Lifeco*” section of the Q2 2021 MD&A.

CONSOLIDATED CAPITALIZATION

Since June 30, 2021, other than the issuance by Lifeco of the Notes on August 16, 2021 and the related issuance by Lifeco of 1,500,000 Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series U to Computershare Trust Company of Canada, as limited recourse trustee, in connection with the LRCN Offering, there have been no material changes to the consolidated capitalization of the Corporation.

TRADING PRICE AND VOLUME

The following table provides information regarding the price range and volume traded for each of these classes of securities of Power Financial on the TSX on a monthly basis for the 12 months prior to the date of this Prospectus Supplement.

	First Preferred Shares, Series A (PWF.PR.A)	First Preferred Shares, Series D (PWF.PR.E)	First Preferred Shares, Series E (PWF.PR.F)	First Preferred Shares, Series F (PWF.PR.G)	First Preferred Shares, Series H (PWF.PR.H)	First Preferred Shares, Series I (PWF.PR.I)	First Preferred Shares, Series K (PWF.PR.K)
October 2020							
Intraday High (\$)	10.43	25.48	25.46	25.74	25.67	25.70	24.55
Intraday Low (\$)	9.66	24.88	24.76	25.25	25.21	25.22	24.07
Volume	39,294	93,451	128,395	89,272	134,538	196,666	178,811
November 2020							
Intraday High (\$)	10.36	25.46	25.38	25.89	25.59	25.64	24.69
Intraday Low (\$)	9.80	25.04	24.91	25.30	25.25	25.28	24.07
Volume	78,235	57,597	61,165	116,555	35,110	89,960	128,284
December 2020							
Intraday High (\$)	11.65	25.57	25.38	25.60	25.62	25.77	25.01
Intraday Low (\$)	10.15	25.28	25.10	25.33	25.33	25.51	24.48
Volume	81,659	28,019	136,147	37,840	35,038	81,710	74,433
January 2021							
Intraday High (\$)	11.70	25.48	25.46	25.79	25.56	25.94	24.99
Intraday Low (\$)	10.77	25.19	24.97	25.30	25.29	25.35	24.43
Volume	26,195	41,202	44,302	60,145	100,804	107,335	270,589
February 2021							
Intraday High (\$)	13.76	25.47	25.50	25.54	25.57	25.60	25.08
Intraday Low (\$)	11.52	25.02	25.05	25.28	25.37	25.35	24.61
Volume	72,738	35,221	61,752	327,577	129,059	219,844	323,357
March 2021							
Intraday High (\$)	14.50	25.65	25.64	25.70	25.70	25.76	25.08
Intraday Low (\$)	13.12	25.28	25.05	25.31	25.41	25.35	24.72
Volume	82,486	71,750	102,963	69,421	66,691	151,469	139,891
April 2021							
Intraday High (\$)	14.44	25.63	25.58	25.84	25.76	25.90	25.10
Intraday Low (\$)	13.72	25.25	25.03	25.32	25.43	25.40	24.66
Volume	20,303	76,556	56,847	90,341	79,984	129,676	142,733

	First Preferred Shares, Series A (PWF.PR.A)	First Preferred Shares, Series D (PWF.PR.E)	First Preferred Shares, Series E (PWF.PR.F)	First Preferred Shares, Series F (PWF.PR.G)	First Preferred Shares, Series H (PWF.PR.H)	First Preferred Shares, Series I (PWF.PR.I)	First Preferred Shares, Series K (PWF.PR.K)
May 2021							
Intraday High (\$)	15.41	25.98	26.00	25.83	25.83	25.94	25.54
Intraday Low (\$)	13.91	25.49	25.38	25.52	25.51	25.65	25.00
Volume	31,963	33,619	44,486	43,497	68,377	168,061	123,315
June 2021							
Intraday High (\$)	15.50	26.14	26.15	26.03	26.15	25.98	25.60
Intraday Low (\$)	14.47	25.87	25.50	25.70	25.72	25.84	25.20
Volume	15,995	39,097	57,968	69,672	63,169	89,292	52,965
July 2021							
Intraday High (\$)	15.65	26.07	25.94	26.24	26.08	26.13	25.39
Intraday Low (\$)	14.26	25.35	25.37	25.42	25.60	25.60	25.01
Volume	34,751	25,440	43,665	82,226	58,676	70,765	177,538
August 2021							
Intraday High (\$)	14.74	26.01	25.84	26.37	26.10	26.19	25.75
Intraday Low (\$)	14.26	25.54	25.42	25.66	25.60	25.91	25.15
Volume	35,147	84,255	71,991	30,108	42,144	70,904	44,631
September 2021							
Intraday High (\$)	15.15	25.95	25.85	26.06	26.15	26.19	25.90
Intraday Low (\$)	13.81	25.73	25.48	25.64	25.85	25.70	25.39
Volume	274,661	175,316	54,773	61,558	25,291	160,853	62,459
October 2021⁽¹⁾							
Intraday High (\$)	15.45	26.07	25.96	26.29	26.09	26.17	25.98
Intraday Low (\$)	15.00	25.51	25.44	25.40	25.46	25.03	25.32
Volume	6,736	44,930	8,850	50,490	30,394	171,647	8,700

	First Preferred Shares, Series L (PWF.PR.L)	First Preferred Shares, Series O (PWF.PR.O)	First Preferred Shares, Series P (PWF.PR.P)	First Preferred Shares, Series Q (PWF.PR.Q)	First Preferred Shares, Series R (PWF.PR.R)	First Preferred Shares, Series S (PWF.PR.S)	First Preferred Shares, Series T (PWF.PR.T)	First Preferred Shares, Series V (PWF.PR.Z)
October 2020								
Intraday High (\$)	25.21	25.58	10.65	10.05	25.60	24.26	17.39	25.48
Intraday Low (\$)	24.60	25.20	10.13	9.85	25.14	23.35	16.45	24.96
Volume	96,600	349,809	706,940	19,900	107,854	129,199	56,450	265,582
November 2020								
Intraday High (\$)	25.10	25.51	11.70	11.47	25.40	24.80	17.92	25.37
Intraday Low (\$)	24.73	25.30	10.41	10.00	25.06	23.39	16.87	24.94
Volume	64,923	71,580	93,642	18,830	46,125	85,611	48,000	155,708
December 2020								
Intraday High (\$)	25.25	25.60	12.08	11.75	25.48	24.78	18.96	25.73
Intraday Low (\$)	24.86	25.45	11.38	10.84	25.25	24.04	17.66	25.22
Volume	76,486	267,109	448,977	43,480	120,454	64,521	161,499	53,614
January 2021								
Intraday High (\$)	25.20	25.62	12.77	12.12	25.49	24.55	19.30	25.83
Intraday Low (\$)	24.83	25.27	11.66	11.59	25.16	23.99	18.51	25.36
Volume	121,911	55,257	119,977	13,780	86,251	97,644	57,610	63,985
February 2021								
Intraday High (\$)	25.34	25.64	15.52	14.76	25.61	24.90	22.15	25.93
Intraday Low (\$)	25.01	25.40	12.52	12.30	25.22	23.80	19.10	25.56
Volume	189,642	193,106	495,151	13,150	122,924	176,574	202,277	65,835
March 2021								
Intraday High (\$)	25.26	25.76	15.77	15.59	25.99	24.65	22.23	25.80
Intraday Low (\$)	24.95	25.45	14.70	13.86	25.41	24.01	21.33	25.28
Volume	140,098	67,299	407,180	29,540	194,096	195,855	170,811	79,244
April 2021								
Intraday High (\$)	25.26	25.70	15.36	14.50	26.08	24.85	22.30	25.70
Intraday Low (\$)	25.02	25.39	14.80	14.40	25.36	24.25	21.75	25.35
Volume	79,154	77,176	611,688	3,000	91,741	147,683	84,234	62,923

	First Preferred Shares, Series L (PWF.PR.L)	First Preferred Shares, Series O (PWF.PR.O)	First Preferred Shares, Series P (PWF.PR.P)	First Preferred Shares, Series Q (PWF.PR.Q)	First Preferred Shares, Series R (PWF.PR.R)	First Preferred Shares, Series S (PWF.PR.S)	First Preferred Shares, Series T (PWF.PR.T)	First Preferred Shares, Series V (PWF.PR.Z)
May 2021								
Intraday High (\$)	25.50	25.74	15.75	15.20	26.22	25.34	23.75	26.91
Intraday Low (\$)	25.21	25.40	14.91	14.40	25.60	24.61	22.18	25.59
Volume	36,961	139,195	374,641	9,500	161,725	621,812	136,472	52,125
June 2021								
Intraday High (\$)	25.60	26.11	16.68	15.96	26.74	25.48	24.66	26.80
Intraday Low (\$)	25.22	25.65	15.70	15.02	25.99	25.13	23.35	26.05
Volume	53,624	68,381	380,871	12,865	155,010	98,809	292,927	98,812
July 2021								
Intraday High (\$)	25.51	26.07	18.60	17.50	26.37	25.46	24.23	26.53
Intraday Low (\$)	25.06	25.64	16.28	16.23	25.45	25.09	23.40	25.76
Volume	101,307	55,020	1,129,289	8,600	374,503	63,182	91,675	61,570
August 2021								
Intraday High (\$)	25.76	26.07	17.42	16.80	26.20	25.63	24.78	26.95
Intraday Low (\$)	25.17	25.64	16.49	16.53	25.48	25.21	24.00	25.86
Volume	125,544	59,688	203,473	9,000	168,267	51,578	123,005	80,497
September 2021								
Intraday High (\$)	26.00	26.05	18.00	16.40	26.21	26.01	24.65	26.98
Intraday Low (\$)	25.43	25.85	16.49	16.00	25.73	25.36	24.28	26.30
Volume	27,256	35,580	400,589	43,900	122,956	63,637	79,037	67,311
October 2021⁽¹⁾								
Intraday High (\$)	25.99	25.99	18.27	16.72	26.09	25.99	24.88	27.05
Intraday Low (\$)	25.55	25.46	17.85	16.25	25.58	25.59	24.52	26.10
Volume	8,768	22,430	126,102	10,200	38,115	10,580	6,130	41,430

⁽¹⁾ October 1-7, 2021.

On October 7, 2021, the closing prices per security of each class of outstanding securities of the Corporation on the TSX were as follows:

Class of Security	TSX Symbol	Closing Price (\$)
First Preferred Shares, Series A	PWF.PR.A	15.10
First Preferred Shares, Series D	PWF.PR.E	25.55
First Preferred Shares, Series E	PWF.PR.F	25.44
First Preferred Shares, Series F	PWF.PR.G	25.45
First Preferred Shares, Series H	PWF.PR.H	25.46
First Preferred Shares, Series I	PWF.PR.I	25.04
First Preferred Shares, Series K	PWF.PR.K	25.32
First Preferred Shares, Series L	PWF.PR.L	25.58
First Preferred Shares, Series O	PWF.PR.O	25.50
First Preferred Shares, Series P	PWF.PR.P	18.02
First Preferred Shares, Series Q	PWF.PR.Q	16.25
First Preferred Shares, Series R	PWF.PR.R	25.58

First Preferred Shares, Series S	PWF.PR.S	25.60
First Preferred Shares, Series T	PWF.PR.T	24.68
First Preferred Shares, Series V	PWF.PR.Z	26.10

DETAILS OF THE OFFERING

The following is a summary of certain provisions attaching to the Series 23 First Preferred Shares. See “*Description of First Preferred Shares*” in the Prospectus for a description of the general terms and provisions of the First Preferred Shares of the Corporation as a class.

Certain Provisions of the Series 23 First Preferred Shares as a Series

The following is a summary of certain provisions of the Series 23 First Preferred Shares, as a series.

Dividends

The holders of the Series 23 First Preferred Shares will be entitled to receive quarterly non-cumulative preferential cash dividends, if, as and when declared by the Board of Directors, on the last day of January, April, July and October in each year at a rate equal to \$0.28125 per share (\$1.125 per share per annum). The initial dividend, if declared, will be payable on January 31, 2022 and will be \$0.33288 per share, assuming an issue date of October 15, 2021.

Redemption by the Corporation

The Series 23 First Preferred Shares will not be redeemable prior to January 31, 2027. Subject to the provisions of any shares of the Corporation ranking prior to or *pari passu* with the Series 23 First Preferred Shares, and to the provisions described under “*Restrictions on Dividends and Retirement of Shares*” below, the Corporation may redeem at any time on or after January 31, 2027 all or from time to time any of the then outstanding Series 23 First Preferred Shares. Such redemption may be made upon payment in cash of the amount of \$26.00 per share if redeemed prior to January 31, 2028, \$25.75 if redeemed on or after January 31, 2028 and prior to January 31, 2029, \$25.50 if redeemed on or after January 31, 2029 and prior to January 31, 2030, \$25.25 if redeemed on or after January 31, 2030 and prior to January 31, 2031 and \$25.00 if redeemed on or after January 31, 2031, in each case together with an amount equal to all declared and unpaid dividends thereon to but excluding the date of redemption. The Corporation shall provide not less than 30 nor more than 60 days’ notice of such redemption to each holder of Series 23 First Preferred Shares to be redeemed.

If less than all outstanding Series 23 First Preferred Shares are at any time to be redeemed, the shares to be redeemed will be selected in such manner as the Corporation may determine.

Purchase for Cancellation

Subject to the provisions described under “*Restrictions on Dividends and Retirement of Shares*”, and subject to the provisions of any shares of the Corporation ranking prior to or *pari passu* with the Series 23 First Preferred Shares, the Corporation may at any time or times purchase for cancellation all or any part of the Series 23 First Preferred Shares at any price if the purchase is effected prior to January 31, 2027 and at a price per share not exceeding the redemption price at the time of purchase together with an amount equal to all declared and unpaid dividends to but excluding the date of purchase and the costs of purchase if effected on or after January 31, 2027.

Restrictions on Dividends and Retirement of Shares

So long as any of the Series 23 First Preferred Shares are outstanding, the Corporation shall not, without the approval of the holders of the Series 23 First Preferred Shares given as described under “*Modification of Series*”:

- (i) declare or pay any dividends (other than stock dividends in shares ranking junior to the Series 23 First Preferred Shares) on the common shares or any other shares of the Corporation ranking junior to the Series 23 First Preferred Shares;
- (ii) except out of the net cash proceeds of an issue of shares ranking junior to the Series 23 First Preferred Shares, redeem or call for redemption or purchase or otherwise retire any common shares or other shares ranking junior to the Series 23 First Preferred Shares;
- (iii) redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of less than all of the Series 23 First Preferred Shares; or
- (iv) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision attaching thereto, redeem or call for redemption or purchase or otherwise retire any shares ranking *pari passu* with the Series 23 First Preferred Shares;

unless dividends (including cumulative dividends, if any) for the immediately preceding payment date (as defined in the share provisions) in respect of the Series 23 First Preferred Shares and all other shares ranking prior to or *pari passu* with the Series 23 First Preferred Shares shall have been declared and paid or monies set aside for payment.

Voting Rights

The holders of the Series 23 First Preferred Shares shall not be entitled to notice of or to attend or to vote at any meeting of the shareholders of the Corporation unless and until the Corporation shall at any time have failed to pay dividends on the Series 23 First Preferred Shares equal in the aggregate to one and one-half times the annual rate or amount of dividends carried by the Series 23 First Preferred Shares in accordance with the terms thereof, whether or not consecutive and whether or not such dividends shall have been declared and whether or not there shall have been any monies of the Corporation properly applicable to the payment of dividends, and for such purpose such dividends shall be deemed to have accrued from day to day. Thereafter, until an amount or amounts equal in the aggregate to one year's dividends at the annual rate or amount of dividends carried by the Series 23 First Preferred Shares shall have been paid thereon, the holders of the Series 23 First Preferred Shares shall be entitled to receive notice of all general meetings of shareholders of the Corporation and to attend thereat, other than any meetings of the holders of any other series of First Preferred Shares held separately and as a series, and shall at any such meetings which they shall be entitled to attend, except when the vote of the holders of shares of any other class or series is to be taken separately and as a class or series, be entitled to one vote in respect of each Series 23 First Preferred Share held by each of such holders respectively.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series 23 First Preferred Shares, the holders of the Series 23 First Preferred Shares shall be entitled to be paid and to receive an amount equal to \$25.00 per Series 23 First Preferred Share plus declared and unpaid dividends up to and including the date of distribution before any amount shall be paid or any assets of the Corporation shall be distributed to the holders of common shares or shares of any other class of the Corporation ranking junior to the Series 23 First Preferred Shares. After payment to the holders of the Series 23 First Preferred Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the assets of the Corporation.

Modification of Series

Approval of variations to the provisions of the Series 23 First Preferred Shares as a series and any other authorization required to be given by the holders of such shares as a series may be given by a resolution passed by an affirmative vote of not less than two-thirds of the votes cast at a general meeting of the holders of Series 23 First Preferred Shares duly called for such purpose and held upon at least 21 days' notice at which the holders of a majority of the outstanding shares of such series are present in person or represented by duly qualified proxy or, if

no quorum is present at such meeting, at an adjourned meeting at which the holders of Series 23 First Preferred Shares then present in person or represented by proxy will form the necessary quorum.

Issue of Additional Series of Preferred Shares

The Corporation may issue other series of preferred shares ranking on a parity with the Series 23 First Preferred Shares without the authorization of the holders of the Series 23 First Preferred Shares.

Depository Services

The Series 23 First Preferred Shares will be in “book-entry only” form and must be purchased, transferred, converted or redeemed through participants in the depository service of CDS. See “*Book-Entry Only Securities*” in the Prospectus.

Tax Election

The provisions of the Series 23 First Preferred Shares as a series require the Corporation to make the necessary election under Part VI.1 of the Tax Act so that a corporation holding Series 23 First Preferred Shares will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 23 First Preferred Shares. See “*Certain Canadian Federal Income Tax Considerations*”.

Business Day

If any action is required to be taken by the Corporation on a day that is not a business day, then such action will be taken on the next succeeding day that is a business day.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Norton Rose Fulbright Canada LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser of Series 23 First Preferred Shares pursuant to this Prospectus Supplement who, for purposes of the Tax Act and at all relevant times, is or is deemed to be a resident of Canada, deals at arm’s length with the Corporation and each of the Underwriters and is not affiliated with the Corporation or any of the Underwriters and holds Series 23 First Preferred Shares as capital property (a “**Holder**”). Generally, the Series 23 First Preferred Shares will be capital property to a holder provided the holder does not acquire or hold such shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders of Series 23 First Preferred Shares who might not otherwise be considered to hold their Series 23 First Preferred Shares as capital property may, in certain circumstances, be entitled to have the Series 23 First Preferred Shares, and all other “Canadian securities” (as defined in the Tax Act) owned by such holder in the taxation year of the election and any subsequent taxation year, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Holders should consult their own tax advisors regarding this election.

This summary is not applicable to a Holder (i) that is a “financial institution” for purposes of the “mark to market property” rules in the Tax Act or a “specified financial institution” (as defined in the Tax Act), (ii) an interest in which is a “tax shelter investment” (as defined in the Tax Act), (iii) that has made a “functional currency” election under the Tax Act to determine its “Canadian tax results” (as defined in the Tax Act) in a currency other than Canadian currency, (iv) that receives dividends on Series 23 First Preferred Shares under or as part of a “dividend rental arrangement” (as defined in the Tax Act), or (v) that has entered into, or will enter into, a “derivative forward agreement” (as defined in the Tax Act) in respect of the Series 23 First Preferred Shares. Such Holders are advised to consult with their own tax advisors.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada and is, or becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is, or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Series 23 First Preferred Shares, controlled by a non-resident person (or a group of

such persons that do not deal at arm's length) for purposes of section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Series 23 First Preferred Shares.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser and no representations with respect to the income tax consequences to any particular purchaser are made. This summary is not exhaustive of all federal income tax considerations. Accordingly, prospective purchasers should consult their own tax advisors with respect to their particular circumstances.

This summary is based upon the current provisions of the Tax Act, all Proposals and counsels' understanding of the current administrative policies and assessing practices of the Canada Revenue Agency made publicly available prior to the date hereof. This summary assumes that all Proposals will be enacted in the form proposed. However, no assurances can be given that the Proposals will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any change in law or administrative policies or assessing practices, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign tax legislation or considerations.

Dividends

Dividends (including deemed dividends) received on the Series 23 First Preferred Shares by an individual (other than certain trusts) will be included in the individual's income and generally will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced dividend gross-up and dividend tax credit with respect to any dividends (including deemed dividends) designated by the Corporation as "eligible dividends" in accordance with the Tax Act.

Dividends (including deemed dividends) received on the Series 23 First Preferred Shares by a corporation will be included in computing the corporation's income and will generally be deductible in computing the taxable income of the corporation. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Holder that is a corporation as proceeds of disposition or a capital gain. Holders that are corporations should consult their own tax advisors having regard to their particular circumstances.

The Series 23 First Preferred Shares are "taxable preferred shares" as defined in the Tax Act. The terms of the Series 23 First Preferred Shares require the Corporation to make the necessary election under Part VI.1 of the Tax Act so that a corporation holding Series 23 First Preferred Shares will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 23 First Preferred Shares.

Dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax.

A "private corporation", as defined in the Tax Act, or any other corporation controlled (whether by reason of a beneficial interest in one or more trusts or otherwise) by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay an additional tax under Part IV of the Tax Act on dividends received (or deemed to be received) by it on the Series 23 First Preferred Shares to the extent such dividends are deductible in computing its taxable income. Such additional tax may be refundable in certain circumstances. Holders that are corporations should consult their own tax advisors regarding their own circumstances.

Dispositions

A Holder who disposes of or is deemed to dispose of a Series 23 First Preferred Share (either on redemption or purchase for cancellation of the Series 23 First Preferred Share for cash or otherwise) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such share to such Holder. The amount of any deemed dividend arising on the redemption or acquisition by the Corporation of a Series 23 First Preferred Share will generally not be included in computing the proceeds of disposition to the Holder for purposes of computing the capital gain or capital loss arising on the disposition of the Series 23 First Preferred Share. See "*Redemption*" below. If the Holder is a corporation, any capital loss arising on the disposition of a Series 23 First Preferred Share may, in

certain circumstances, be reduced by the amount of any dividends, including deemed dividends, which have been received on the Series 23 First Preferred Share or on any share which was converted into or exchanged for such share. Analogous rules apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Subordinate Voting Shares, directly or indirectly through a partnership or a trust. Such Holders to whom these rules may be relevant should consult their own tax advisors.

One half of any capital gain (a “taxable capital gain”) realized on the disposition of Series 23 First Preferred Shares in a particular year will be included in computing the Holder’s income for that year and one half of a capital loss (an “allowable capital loss”) realized on the disposition of Series 23 First Preferred Shares in that year must be deducted from taxable capital gains of the Holder for that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains subject to and in accordance with the rules contained in the Tax Act. Capital gains realized by an individual (including certain trusts) may give rise to liability for alternative minimum tax under the Tax Act. An amount in respect of taxable capital gains of a Canadian-controlled private corporation, as defined in the Tax Act, may be subject to an additional tax (refundable under certain circumstances). Such Holders to whom these rules may be relevant should consult their own tax advisors.

Redemption

If the Corporation redeems for cash or otherwise acquires a Series 23 First Preferred Share, other than by a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market, the Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Corporation, including any redemption premium, in excess of the paid-up capital (as determined for purposes of the Tax Act) of such share at such time. Generally, the proceeds of disposition for purposes of computing the capital gain or capital loss arising on the disposition of such share will be equal to the amount paid by the Corporation on redemption or acquisition of such share, including any redemption premium, less the amount of the deemed dividend, if any. In the case of a corporate shareholder, it is possible that in certain circumstances subsection 55(2) of the Tax Act may treat all or part of the deemed dividend as proceeds of disposition and not as a dividend.

EARNINGS COVERAGE RATIOS

Power’s annualized dividend requirements on all of its preferred shares including those of subsidiaries, after giving effect to the issue of the Series 23 First Preferred Shares and the redemption of the First Preferred Shares, Series I of Power Financial and adjusted to a pre-tax equivalent using effective income tax rates of 7.6% for the 12 months ended December 31, 2020 and 9.5% for the 12 months ended June 30, 2021, amounted to \$353 million and \$360 million, respectively. Power’s annualized financing charge requirements on its consolidated debt for the 12 months ended December 31, 2020 and for the 12 months ended June 30, 2021, amounted to \$593 million and \$578 million, respectively for each such period. Power’s annualized interest requirements on its subsidiaries’ other equity, after giving effect to the August 16, 2021 issuance of the Notes, amounted to \$54 million for both the 12 months ended December 31, 2020 and the 12 months ended June 30, 2021.

Power Financial’s annualized dividend requirements on all of its preferred shares including those of subsidiaries, after giving effect to the issue of the Series 23 First Preferred Shares and the redemption of the First Preferred Shares, Series I of Power Financial and adjusted to a pre-tax equivalent using effective income tax rates of 8.8% for the 12 months ended December 31, 2020 and 10.4% for the 12 months ended June 30, 2021, amounted to \$301 million and \$306 million, respectively. Power Financial’s annualized financing charge requirements on its consolidated debt for the 12 months ended December 31, 2020 and for the 12 months ended June 30, 2021, amounted to \$469 million and \$458 million, respectively for each such period. Power Financial’s annualized interest requirements on its subsidiaries’ other equity, after giving effect to the August 16, 2021 issuance of the Notes, amounted to \$54 million for both the 12 months ended December 31, 2020 and the 12 months ended June 30, 2021.

The earnings coverage ratios set forth below have been prepared in accordance with applicable Canadian securities law disclosure requirements, as modified by the Decision. The ratios have been determined based on: i) net earnings of Power (and Power Financial) and ii) net earnings attributable to shareholders of Power (and Power Financial).

(i) Ratios based on net earnings of Power (and Power Financial)

Power's net earnings before financing charges and income taxes for the 12 months ended December 31, 2020 were \$4,166 million (Power Financial: \$4,041 million), which is 4.2 times (Power Financial: 4.9 times) the aggregate dividend and financing charge requirements for this period. Power's net earnings before financing charges and income taxes for the 12 months ended June 30, 2021 were \$5,104 million (Power Financial: \$4,471 million), which is 5.1 times (Power Financial: 5.5 times) the aggregate dividend and financing charge requirements for this period.

(ii) Ratios based on net earnings attributable to shareholders of Power (and Power Financial)

Power's net earnings attributable to shareholders before financing charges and income taxes for the 12 months ended December 31, 2020 were \$2,678 million (Power Financial: \$2,795 million), which is 2.7 times (Power Financial: 3.4 times) the aggregate dividend and financing charge requirements for this period. Power's net earnings attributable to shareholders before financing charges and income taxes for the 12 months ended June 30, 2021 were \$3,532 million (Power Financial: \$3,016 million), which is 3.6 times (Power Financial: 3.7 times) the aggregate dividend and financing charge requirements for this period.

RATINGS

The Series 23 First Preferred Shares have been given a preliminary rating of Pfd-2 (high) by DBRS Limited (“**DBRS**”). Pfd-2 (high) is the fourth highest of sixteen ratings used by DBRS for preferred shares in Canada. Preferred shares with a Pfd-2 (high) rating are generally of good credit quality, and protection of dividends and principal is still substantial, but earnings, the balance sheet, and coverage ratios are not as strong as Pfd-1 rated companies. Generally, a Pfd-2 (high) rating corresponds with companies whose senior bonds are rated in the “A” category. As in the case with all rating categories, the relationship between senior debt ratings and preferred share ratings should be understood as one where the senior debt rating effectively sets a ceiling for the preferred shares issued by the entity. However, there are cases where the preferred share rating could be lower than the normal relationship with the issuer's senior debt rating.

The Series 23 First Preferred Shares have been given a preliminary rating of P-1 (Low) under its Canadian rating scale and A- under its global rating scale by Standard & Poor's Rating Services (“**S&P**”). A P-1 (Low) rating is the third highest of eighteen ratings used by S&P in its Canadian national preferred share rating scale. Correspondingly, a A- rating is the fifth highest of the twenty ratings used by S&P in its Global preferred share rating scale. A preferred share rated “A-” is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories; however, the obligor's capacity to meet its financial commitments on the obligation is still strong.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. A security rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency. The Corporation has paid customary rating fees to DBRS and S&P in connection with the above-mentioned ratings.

PLAN OF DISTRIBUTION

Under an underwriting agreement (the “**Underwriting Agreement**”) dated October 8, 2021 between the Corporation and the Underwriters, the Corporation has agreed to sell and the Underwriters have severally agreed to purchase, as principals, subject to compliance with all necessary legal requirements and to the terms and conditions contained therein, on October 15, 2021, or such other date not later than November 12, 2021 as may be agreed upon by the parties, all but not less than all of the 8,000,000 Series 23 First Preferred Shares at an aggregate price of \$200,000,000 payable in cash to the Corporation against delivery.

In consideration for their services in connection with this offering, the Corporation has agreed to pay the Underwriters a fee equal to \$0.25 per Series 23 First Preferred Share sold to certain exempt institutions and \$0.75 per share with respect to all other sales of Series 23 First Preferred Shares. Assuming that no Series 23 First Preferred Shares are sold to such institutions, the Underwriters' fee will be \$6,000,000. All fees payable to the

Underwriters will be paid on account of services rendered in connection with the issue and will be paid out of the gross proceeds of the Offering.

The Underwriting Agreement provides that the Underwriters may, at their discretion, terminate their obligations thereunder upon the occurrence of certain stated events or if there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including in relation to any escalation in the severity of the COVID-19 pandemic occurring after the date of the Underwriting Agreement, but only to the extent that there are material adverse developments related thereto), or any action, government law or regulation, inquiry or other occurrence of any nature whatsoever which materially adversely affects, or may in the reasonable opinion of the Underwriters materially adversely affect Canadian financial markets or the business, operations or affairs of the Corporation and its subsidiaries, taken together, and such event would be reasonably expected to have a significant adverse effect on the market price or value of the Series 23 First Preferred Shares. The Underwriters are, however, obligated to take up and pay for all the Series 23 First Preferred Shares if any Series 23 First Preferred Shares are purchased under the Underwriting Agreement.

The Underwriters may not, throughout the period of distribution, bid for or purchase the Series 23 First Preferred Shares. The foregoing restriction is subject to certain exemptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Series 23 First Preferred Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. In connection with this offering, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Series 23 First Preferred Shares at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Series 23 First Preferred Shares have not been and will not be registered under the *United States Securities Act of 1933*, as amended, or any state securities laws and, subject to certain exemptions, may not be offered or sold within the United States or to U.S. persons. The distribution of this Prospectus Supplement and the offering and sale of the Series 23 First Preferred Shares are also subject to certain restrictions under the laws of certain other jurisdictions outside of Canada. Each Underwriter has agreed that it will not offer for sale or sell or deliver the Series 23 First Preferred Shares in any such jurisdiction except in accordance with the laws thereof.

The Underwriters propose to offer the Series 23 First Preferred Shares initially at the offering price specified on the cover page of this Prospectus Supplement. After the Underwriters have made a reasonable effort to sell all of the Series 23 First Preferred Shares at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page.

The determination of the terms of the distribution, including the issue price of the Series 23 First Preferred Shares, was made through negotiations between the Corporation and the Underwriters.

The TSX has conditionally approved the listing of the Series 23 First Preferred Shares. Listing will be subject to Power Financial fulfilling all of the requirements of the TSX on or before January 4, 2022.

RISK FACTORS

An investment in the Series 23 First Preferred Shares is subject to certain risks, including those set out in the Prospectus and incorporated by reference into the Prospectus and this Prospectus Supplement, including the Annual Information Form, the Annual MD&A, the Q2 2021 MD&A and the Annual Financial Statements. These documents discuss, among other things, known material trends and events, and risks and uncertainties that are reasonably expected to have a material effect on Power Financial's business, financial condition or results of operations.

An investment in the Series 23 First Preferred Shares also includes the following risks, which investors should consider before investing in the Series 23 First Preferred Shares.

The value of the Series 23 First Preferred Shares will be affected by the general creditworthiness of Power Financial.

The value of Series 23 First Preferred Shares will be affected by the general creditworthiness of Power Financial. The Annual MD&A and Q2 2021 MD&A, both incorporated by reference into this Prospectus Supplement, discuss, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on Power's business, financial condition or financial performance. No assurance can be given that any credit rating assigned to the Series 23 First Preferred Shares will not be lowered or withdrawn entirely by the relevant rating agency. See also the discussion under "Earnings Coverage Ratios", which is relevant to an assessment of the risk that Power Financial will be unable to pay dividends on the Series 23 First Preferred Shares.

The market value of the Series 23 First Preferred Shares may fluctuate.

The market value of the Series 23 First Preferred Shares, as with other preferred shares, is primarily affected by changes (actual or anticipated) in prevailing interest rates and in the credit rating assigned to such shares.

Real or anticipated changes in credit ratings on the Series 23 First Preferred Shares may also affect the cost at which Power Financial can transact or obtain funding, and thereby affect its liquidity, business, financial condition or results of operations. No assurance can be given that any credit rating assigned to the Series 23 First Preferred Shares will not be lowered or withdrawn entirely by the relevant rating agency. Assuming all other factors remain unchanged, the market value of the Series 23 First Preferred Shares would be expected to decline as prevailing yields for similar securities rise and would be expected to increase as prevailing yields for similar securities decline. The condition of the financial markets and prevailing interest rates have fluctuated in the past, due to, among other things, medical endemic or pandemic health events such as the COVID-19 pandemic, and are likely to fluctuate in the future, which could have an adverse effect on the market price of the Series 23 First Preferred Shares.

The Series 23 First Preferred Shares will be structurally subordinate to all existing and future liabilities of Power Financial's subsidiaries.

The Series 23 First Preferred Shares rank equally with other First Preferred Shares of Power Financial in the event of an insolvency or winding-up of Power Financial. If Power Financial becomes insolvent or is wound-up, Power Financial's assets must be used to pay debt, including subordinated debt, before payments may be made on Series 23 First Preferred Shares, if any, and other First Preferred Shares.

As a holding company, Power Financial's ability to meet its obligations, including payment of interest, other operating expenses and dividends, and to complete current or desirable future enhancement opportunities or acquisitions generally depends upon dividends from its principal subsidiaries and other investments, and its ability to raise additional capital. Dividends to shareholders of Power Financial, including holders of Series 23 First Preferred Shares, are dependent on the operating performance, profitability, financial position and creditworthiness of its subsidiaries and associates as well as on their ability to pay dividends. The payment of interest and dividends by Power Financial's principal subsidiaries is subject to restrictions set out in relevant corporate and insurance laws and regulations, which require that solvency and capital ratios be maintained, and may be adversely affected by the COVID-19 pandemic.

The Series 23 First Preferred Shares are non-cumulative and there is a risk Power Financial will be unable to pay dividends on the shares.

The Series 23 First Preferred Shares are non-cumulative and dividends are payable at the discretion of the Board of Directors. See "Details of the Offering" and "Earnings Coverage Ratios" which are relevant to an assessment of the risk that Power Financial will be unable to pay dividends and any redemption price on the Series 23 First Preferred Shares.

The Series 23 First Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series 23 First Preferred Shares.

The Series 23 First Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders thereof. The ability of a holder to dispose of its holdings of Series 23 First Preferred Shares may be limited.

There is no market for the Series 23 First Preferred Shares

Stock market volatility may affect the market price of the Series 23 First Preferred Shares for reasons unrelated to Power Financial's performance.

There can be no assurance that an active trading market will develop for the Series 23 First Preferred Shares after the offering, or, if developed, that such market will be sustained at the offering price of the Series 23 First Preferred Shares.

Power Financial may redeem the Series 23 First Preferred Shares at its option in certain situations.

Power Financial may elect to redeem the Series 23 First Preferred Shares from time to time, without the consent of the holders of the Series 23 First Preferred Shares, in accordance with its rights described under "*Details of the Offering — Certain Provisions of the Series 23 First Preferred Shares as a Series — Redemption by the Corporation*", including when prevailing interest rates are lower than the yield borne by the Series 23 First Preferred Shares. If prevailing rates are lower at the time of redemption, a purchaser may not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yield on the Series 23 First Preferred Shares being redeemed. Power Financial's redemption right also may adversely impact a purchaser's ability to sell Series 23 First Preferred Shares as the optional redemption date approaches.

EXEMPTIONS

Power Financial relies on an exemption from, among other things, certain of the requirements of National Instrument 44-101 – *Short Form Prospectus Distributions* ("NI 44-101"), Form 44-101F1 – *Short Form Prospectuses* ("NI 44-101F1") and National Instrument 44-102 – *Shelf Distributions* ("NI 44-102") as provided in the decision (the "**Decision**") of the Autorité des marchés financiers and the Ontario Securities Commission, dated January 19, 2021, regarding Power Financial and Power. Among other things, the Decision exempts Power Financial from:

- (i) the short form prospectus qualification provisions in paragraphs 2.2(d) and 2.2(e) of NI 44-101;
- (ii) the base shelf prospectus effectiveness provisions in paragraph 2.2(1), subparagraph 2.2(3)(b)(i), subparagraph 2.2(3)(b)(ii) and subparagraph 2.2(3)(b)(iii) of NI 44-102;
- (iii) the requirement in section 6.1 of Form 44-101F1 to disclose earnings coverage ratios;
- (iv) the requirement under subsection 11.1(1) of Form 44-101F1 to incorporate documents by reference in a short form prospectus; and
- (v) the statement required by section 11.2 of Form 44-101F1 regarding future-filed documents.

The Decision was issued subject to a number of conditions, including that: (i) Power remains a reporting issuer or the equivalent thereof in each of the jurisdictions of Canada in which Power Financial is a reporting issuer, and has filed all disclosure documents that it is required to file under applicable securities legislation on or before the time those documents would have been required to be filed under such legislation by the Corporation; (ii) Power remains the owner, directly or indirectly, of all the issued and outstanding voting and equity securities of Power Financial; (iii) Power Financial does not file a short form prospectus or shelf prospectus supplement to distribute common shares or securities in respect of which common shares may be issued or transferred; (iv) Power Financial is qualified under section 2.2 of NI 44-101 to file a short form prospectus; (v) any preferred shares distributed pursuant to a short form prospectus or a shelf prospectus supplement of Power Financial are non-convertible or are convertible only into other preferred shares of the same class as the distributed preferred shares or into equity securities of Power; (vi) any securities distributed pursuant to a short form prospectus or shelf prospectus supplement of Power Financial are preferred shares or debentures or other debt securities and have received a final

designated rating; (vii) Power Financial makes the statement required by section 11.2 of Form 44-101F1 in any short form prospectus, with “or Power” or a reference that is substantively the same added after the words “by the issuer”; (viii) for any short form prospectus, Power Financial complies with section 6.1 of Form 44-101F1, except that "the issuer" is to be read as " Power" and any references to the issuer's annual financial statements or interim financial reports are to be read as those of Power; and (ix) for any short form prospectus, Power Financial complies with subsection 11.1(1) of Form 44-101F1, except that references to the disclosure documents are to be read as those of Power.

USE OF PROCEEDS

The net proceeds from the sale of the Series 23 First Preferred Shares under this Prospectus Supplement are estimated to be approximately \$193,250,000, after deduction of the Underwriters' fee and the estimated expenses of the Offering. The Underwriters' fee and the expenses of the Offering will be paid out of the gross proceeds of the Offering.

The net proceeds of the Offering will be used by the Corporation for general corporate purposes. Upon completion of the Offering, Power Financial intends to redeem all of its outstanding \$200 million First Preferred Shares, Series I.

LEGAL MATTERS

Certain legal matters in connection with the securities offered hereby will be passed upon by Blake, Cassels & Graydon LLP on behalf of the Corporation and by Norton Rose Fulbright Canada LLP on behalf of the Underwriters. As of the date hereof, the partners and associates of Blake, Cassels & Graydon LLP, as a group, and Norton Rose Fulbright Canada LLP, as a group, each beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Corporation or any associated party or affiliate of the Corporation.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Deloitte LLP is the auditor of Power and is independent with respect to Power within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

The registrar and transfer agent for the Series 23 First Preferred Shares is Computershare Investor Services Inc. at its principal offices in Montréal, Quebec, and Toronto, Ontario.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE UNDERWRITERS

Dated: October 8, 2021

To the best of our knowledge, information and belief, the short form base shelf prospectus dated November 23, 2020 (the “**Prospectus**”), together with the documents incorporated in the Prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the Prospectus and this supplement as required by the securities legislation of all provinces and territories of Canada.

BMO NESBITT BURNS INC.

**RBC DOMINION SECURITIES
INC.**

SCOTIA CAPITAL INC.

(Signed) BRADLEY HARDIE

(Signed) JOHN BYLAARD

(Signed) JOE KULIC

CIBC WORLD MARKETS INC.

**NATIONAL BANK FINANCIAL
INC.**

TD SECURITIES INC.

(Signed) PAUL ST-MICHEL

(Signed) MAUDE LEBLOND

(Signed) GEOFF BERTRAM

CASGRAIN & COMPANY LIMITED

DESJARDINS SECURITIES INC.

(Signed) ROGER CASGRAIN

(Signed) WILLIAM TEBBUTT