



POWER FINANCIAL  
CORPORATION

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# 2019 Annual Information Form

March 24, 2020

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## ITEM 1 GENERAL INFORMATION

The following abbreviations have been used throughout this Annual Information Form:

Name in full	Abbreviation
Annual Information Form of Great-West Lifeco Inc., dated February 12, 2020	Lifeco's Annual Information Form
Annual Information Form of IGM Financial Inc., dated March 19, 2020	IGM Financial's Annual Information Form
The Canada Life Assurance Company <sup>[1]</sup>	Canada Life
Canada Life Financial Corporation <sup>[1]</sup>	CLFC
Frère-Bourgeois / Compagnie Nationale à Portefeuille	Frère group
Great-West Life & Annuity Insurance Company	Empower Retirement
The Great-West Life Assurance Company <sup>[1]</sup>	Great-West Life
Great-West Lifeco Inc.	Lifeco
Groupe Bruxelles Lambert	GBL
IGM Financial Inc.	IGM Financial
Investment Planning Counsel Inc.	Investment Planning Counsel
Investors Group Inc.	IG Wealth Management
Irish Life Group Limited	Irish Life
KOHO Financial Inc.	Koho
London Life Insurance Company <sup>[1]</sup>	London Life
London Insurance Group Inc. <sup>[1]</sup>	London Insurance
Mackenzie Financial Corporation	Mackenzie Investments
Management's Discussion and Analysis of Power Financial Corporation, dated March 18, 2020	Power Financial's MD&A
Pansolo Holding Inc.	Pansolo
Pargesa Holding SA	Pargesa
Parjointco N.V.	Parjointco
Parques Reunidos Servicios Centrales, S.A.	Parques
Portag3 Ventures Limited Partnership	Portag3 Ventures Fund I
Portag3 Ventures II Limited Partnership	Portag3 Ventures Fund II
Power Corporation of Canada	Power
Power Financial Corporation	Power Financial or the Corporation
Power Financial Europe B.V.	PFE
Putnam Investments, LLC	Putnam
Sagard Holdings ULC	Sagard Holdings
Wealthsimple Financial Corp.	Wealthsimple

[1] Effective January 1, 2020, Great-West Life, London Life, Canada Life and their holding companies, CLFC and London Insurance, amalgamated into one single life insurance company - The Canada Life Assurance Company.

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## ITEM 2 DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated herein by reference to the extent specified herein:

- > Certain portions of Lifeco's Annual Information Form; and
- > Certain portions of IGM Financial's Annual Information Form.

The above documents have been prepared by Lifeco and IGM Financial, respectively, and are available on SEDAR under their respective company profiles at [www.sedar.com](http://www.sedar.com).

In addition, certain portions of Power Financial's MD&A and the material change report of the Corporation dated December 18, 2019 are incorporated herein by reference to the extent specified herein. Power Financial's MD&A and the foregoing material change report are available on SEDAR under the Corporation's profile at [www.sedar.com](http://www.sedar.com).

### ITEM 3 FORWARD-LOOKING INFORMATION

Certain statements in this Annual Information Form, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Corporation's current expectations, or with respect to disclosure regarding the Corporation'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 and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments, and the reader is cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation and its subsidiaries including the fintech strategy, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, the intended effects of the Reorganization (as defined herein) and the proposed redemption by the Corporation and Power of certain classes of their First Preferred Shares. 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 and its subsidiaries' control, affect the operations, performance and results of the Corporation and its 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, manmade disasters, terrorist attacks, wars and other conflicts, or an outbreak of a public health pandemic or other public health crises, the Corporation's and its subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Corporation's and its subsidiaries' success in anticipating and managing the foregoing factors.

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 redeem First Preferred Shares and that the list of factors in the previous paragraph, collectively, are not expected to have a material impact on the Corporation and its subsidiaries. While the Corporation considers 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 undertakes 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 business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials, including this Annual Information Form and Power Financial's MD&A, filed with the securities regulatory authorities in Canada and available at [www.sedar.com](http://www.sedar.com). The sections entitled "General" of Lifeco's Annual Information Form and "Forward-Looking Statements" of IGM Financial's Annual Information Form are incorporated herein by reference.

## ITEM 4 CORPORATE STRUCTURE

### Item 4.1 Incorporation

Power Financial Corporation – Corporation Financière Power was continued under the *Canada Business Corporations Act* (“CBCA”) on December 4, 1986. Its head and registered office is located at 751 Victoria Square, Montréal, Québec H2Y 2J3.

The Articles of the Corporation were amended as follows:

- > effective August 17, 1993, October 14, 1997, March 7, 2003 and November 25, 2008, to create Series B, C, J and M respectively of Non-Cumulative First Preferred Shares, all of which have since been redeemed;
- > effective January 10, 1997, to subdivide the Common Shares on a two-for-one basis;
- > effective December 11, 1997, to create 6,000,000 5.50 per cent Non-Cumulative First Preferred Shares, Series D (the “Series D First Preferred Shares”);
- > effective July 9, 1998, to subdivide the Common Shares on a two-for-one basis;
- > effective November 22, 2001, to create 8,000,000 5.25 per cent Non-Cumulative First Preferred Shares, Series E (the “Series E First Preferred Shares”);
- > effective July 10, 2002, to create 6,000,000 5.90 per cent Non-Cumulative First Preferred Shares, Series F (the “Series F First Preferred Shares”);
- > effective December 4, 2002, to create 6,000,000 5.75 per cent Non-Cumulative First Preferred Shares, Series H (the “Series H First Preferred Shares”);
- > effective March 7, 2003, to create 8,000,000 6.00 per cent Non-Cumulative First Preferred Shares, Series I (the “Series I First Preferred Shares”);
- > effective July 23, 2004, to subdivide the Common Shares on a two-for-one basis;
- > effective September 30, 2005, to create 10,000,000 4.95 per cent Non-Cumulative First Preferred Shares, Series K (the “Series K First Preferred Shares”);
- > effective July 28, 2006, to create 8,000,000 5.10 per cent Non-Cumulative First Preferred Shares, Series L (the “Series L First Preferred Shares”);
- > effective November 25, 2008, to create an unlimited number of Non-Cumulative Floating Rate First Preferred Shares, Series N (none of which are outstanding);
- > effective October 7, 2009, to create up to 10,000,000 5.80 per cent Non-Cumulative First Preferred Shares, Series O (the “Series O First Preferred Shares”);
- > effective May 14, 2010, to increase the maximum number of Directors from 18 to 20;
- > effective June 22, 2010, to create an unlimited number of Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series P (the “Series P First Preferred Shares”) and an unlimited number of Non-Cumulative Floating Rate First Preferred Shares, Series Q (the “Series Q First Preferred Shares”);
- > effective February 16, 2012, to create up to 10,000,000 5.50 per cent Non-Cumulative First Preferred Shares, Series R (the “Series R First Preferred Shares”);
- > effective February 25, 2013, to create up to 12,000,000 4.80 per cent Non-Cumulative First Preferred Shares, Series S (the “Series S First Preferred Shares”);

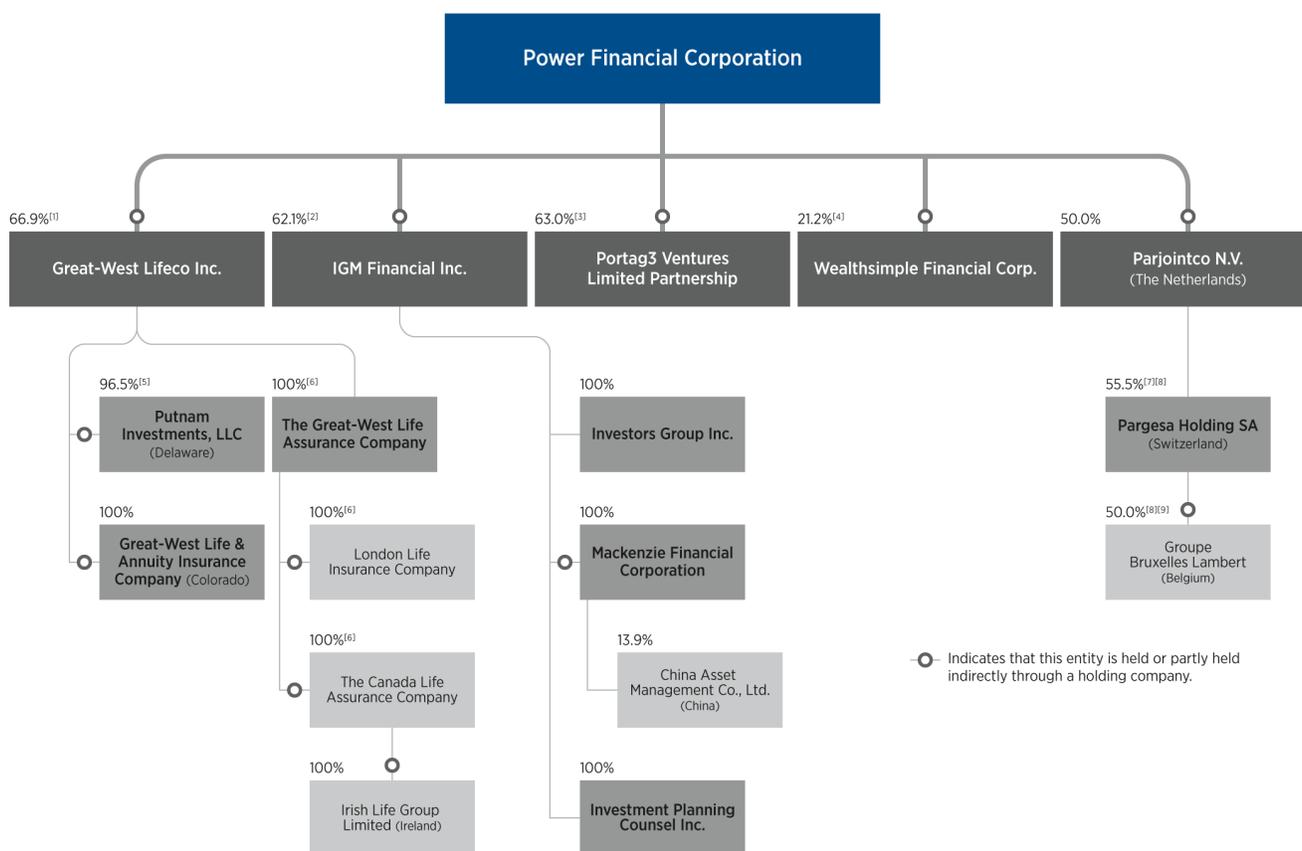
- > effective December 6, 2013, to create an unlimited number of Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series T (the “Series T First Preferred Shares”) and an unlimited number of Non-Cumulative Floating Rate First Preferred Shares, Series U (the “Series U First Preferred Shares”) (none of which are outstanding);
- > effective May 23, 2017, to create up to 10,000,000 5.15 per cent Non-Cumulative First Preferred Shares, Series V (the “Series V First Preferred Shares”); and
- > effective February 13, 2020, to implement the Reorganization (as defined herein) by way of a plan of arrangement by filing the Articles of Arrangement.

#### Item 4.2 Intercorporate relationships

The chart on the following page summarizes Power Financial’s corporate structure as at December 31, 2019, including interests in its material and certain other subsidiaries and investee companies. The chart sets forth the jurisdiction of incorporation (unless otherwise indicated, all companies were incorporated in Canada) and the approximate percentages of participating equity securities beneficially owned, or over which control or direction is exercised, directly or indirectly, by Power Financial (unless otherwise indicated, such percentages also represent the approximate percentages of votes attached to voting securities beneficially owned, or over which control or direction is exercised, directly or indirectly, by Power Financial) as at that date. Certain subsidiaries whose total assets or revenues did not represent more than 10 per cent of the Corporation’s consolidated assets or revenues as at December 31, 2019 have been omitted<sup>[a]</sup>. The subsidiaries that have been omitted represent, as a group, significantly less than 20 per cent of the consolidated assets and revenue of the Corporation as at December 31, 2019. The chart also omits certain subsidiaries whose primary role is to hold investments in other subsidiaries of the Corporation.

The sections entitled “Corporate Structure” of Lifeco’s Annual Information Form and “General” of IGM Financial’s Annual Information Form are incorporated herein by reference.

[a] Based on the Corporation’s annual consolidated financial statements for the fiscal year ended December 31, 2019 filed with the Canadian securities regulators and which are available at [www.sedar.com](http://www.sedar.com) and on the Corporation’s website.



- [1] 53.8 per cent of the participating equity securities of Lifeco are owned by the Corporation and 3.1 per cent are owned by 3411893 Canada Inc., 6.8 per cent are owned by 3439453 Canada Inc. and 3.2 per cent are owned by 4400003 Canada Inc., each a wholly owned subsidiary of the Corporation. In addition, IGM Financial, a subsidiary of the Corporation, owns 4.0 per cent of the participating equity securities of Lifeco. Power Financial and its subsidiaries own, in the aggregate, voting securities to which are attached approximately 65.0 per cent of the votes attached to all voting securities of Lifeco.
- [2] 58.9 per cent of the participating equity securities of IGM Financial are owned by the Corporation and 2.3 per cent are owned by 3411893 Canada Inc. and 0.9 per cent are owned by 4400003 Canada Inc., each a wholly owned subsidiary of the Corporation. In addition, Great-West Life, a subsidiary of the Corporation, owns 3.9 per cent of the participating equity securities of IGM Financial (excluding 0.01 per cent of equity securities of IGM Financial held by Great-West Life in its segregated funds or for similar purposes). Power Financial and its subsidiaries own, in the aggregate, voting securities to which are attached approximately 66.0 per cent of the votes attached to all voting securities of IGM Financial.
- [3] Power Financial, Lifeco and IGM Financial respectively hold 63.0 per cent, 18.5 per cent and 18.5 per cent equity interest in Portag3 Ventures Fund I. Portag3 Ventures Fund I is managed by Sagard Holdings, a subsidiary of Power.
- [4] Power Financial holds a 21.2 per cent interest in Wealthsimple, and Portag3 Ventures Fund I and IGM Financial also hold 16.8 per cent and 46.9 per cent interests, respectively, for an aggregate equity and voting interest of 84.9 per cent and 85.3 per cent, respectively.
- [5] 100 per cent voting interest.
- [6] Effective January 1, 2020, Great-West Life, London Life, Canada Life and their holding companies, CLFC and London Insurance, amalgamated into one single life insurance company – The Canada Life Assurance Company.
- [7] 75.4 per cent voting interest.
- [8] On March 11, 2020, Parjointco and Pargesa announced an agreement for a proposed transaction that would simplify the group structure. As per the agreement, a public exchange offer will be initiated by Parjointco for all Pargesa shares not already owned by Parjointco under which Pargesa shareholders will be entitled to receive 0.93 shares of GBL for each Pargesa bearer share they hold. Following the proposed transaction, it is anticipated that Pargesa will be delisted from the Swiss Stock Exchange (the "SIX") and Parjointco is expected to retain *de facto* control of GBL. The proposed transaction will be subject to Parjointco holding or having received shareholder acceptances with respect to at least 90 per cent of Pargesa's total voting rights and it is conditional upon GBL shareholders approving the implementation of double-voting rights at GBL's Extraordinary Shareholders Meeting to be held on April 28, 2020.
- [9] Certain companies in the Pargesa group are more fully described in the section entitled "Narrative Description of the Business – The Pargesa Group" of this Annual Information Form.

## ITEM 5 GENERAL DEVELOPMENT OF THE BUSINESS

### Item 5.1 Business of Power Financial

Power Financial is an international management and holding company with interests in financial services and asset management businesses in Canada, the United States and Europe. Power Financial owns a controlling interest in each of Lifeco and IGM Financial. Lifeco and IGM Financial are leaders across the insurance, asset management, and wealth and retirement business sectors in their principal markets: Canada, the United States and Europe.

Through its wholly owned subsidiary, PFE, the Corporation holds a 50.0 per cent interest in Parjointco, which held, as at December 31, 2019, a 55.5 per cent equity interest, representing 75.4 per cent of the voting rights, in Pargesa, a holding company with significant interests in a portfolio of global companies based in Europe. These European investments are held by Pargesa through its subsidiary, GBL, a Belgian holding company. Recent developments regarding the Corporation's interest in Pargesa are described in the section entitled "General Development of the Business - Development of the business over the last three years - Europe" of this Annual Information Form.

Power Financial has also, in recent years, implemented an active fintech strategy.

As at December 31, 2019, Power Financial and its subsidiaries had, in aggregate, approximately 28,400 employees worldwide. As at December 31, 2019, Power Financial controlled, directly and indirectly, approximately 70.9 per cent of the outstanding common shares of Lifeco, representing approximately 65.0 per cent of the voting rights attached to all the outstanding Lifeco voting shares. As at December 31, 2019, Power Financial also controlled, directly and indirectly, approximately 66.0 per cent of the outstanding common shares of IGM Financial.

### Item 5.2 Development of the business over the last three years

The sections entitled "General Development of the Business" of Lifeco's Annual Information Form and "Development of Business Over the Last Three Years" of IGM Financial's Annual Information Form are incorporated herein by reference.

#### NORTH AMERICA

Since 2016, Power Financial, through a wholly owned subsidiary and IGM Financial, has invested in Wealthsimple, a financial technology company operating in digital investing services. In the second quarter of 2017, Power Financial transferred the equity interest in Wealthsimple it had acquired prior to 2017 to Portag3 Ventures Fund I, an investment fund dedicated to backing innovative financial services companies that was formed by Power Financial, together with Lifeco and IGM Financial. As at December 31, 2019, Power Financial, Portag3 Ventures Fund I and IGM Financial respectively held 21.2 per cent, 16.8 per cent and 46.9 per cent equity interest in Wealthsimple, representing an aggregate equity and voting interests of 84.9 per cent and 85.3 per cent, respectively. As at December 31, 2019, Power Financial, Lifeco and IGM Financial respectively held 63.0 per cent, 18.5 per cent and 18.5 per cent equity interest in Portag3 Ventures Fund I.

On May 26, 2017, Power Financial issued 10,000,000 Series V First Preferred Shares, priced at \$25.00 per share, to annually yield 5.15 per cent, for gross proceeds of \$250 million.

On October 30, 2018, Portag3 Ventures announced the launch of Portag3 Ventures Fund II, its second fintech venture fund focused on early stage investments in specific verticals within the global financial technology sector.

On April 17, 2019, Power Financial completed a substantial issuer bid and purchased for cancellation 49,999,973 of its Common Shares, representing approximately 7.0 per cent of its issued and outstanding Common Shares on a non-diluted basis prior to the repurchase, at a purchase price of \$33.00 per Common Share. Pursuant to the bid, 42,436,370 (or 9.1 per cent) of the Common Shares beneficially owned by Power were repurchased by Power Financial. The substantial issuer bid allowed the Corporation to return capital to shareholders while maintaining a strong capital position to fund future growth opportunities.

On December 13, 2019, the Corporation and Power announced the Reorganization (as defined below) and, among other things, Power's intent to undertake further initiatives to benefit shareholders in conjunction with the Reorganization including, following completion of the Reorganization, the redemption of an aggregate of \$350 million of certain classes

of the Corporation's and Power's respective First Preferred Shares with available cash, which is anticipated to result in reduced annual financing costs of approximately \$15 million per year.

On February 13, 2020, Power Financial and Power completed a reorganization transaction (the "Reorganization") pursuant to which each Common Share of the Corporation held by shareholders other than Power and its wholly owned subsidiaries (the "Minority Shareholders") was exchanged for 1.05 Subordinated Voting Shares of Power and \$0.01 in cash. In connection with the Reorganization, Power issued an aggregate of 250,628,173 Subordinate Voting Shares to the Minority Shareholders of the Corporation. Following the completion of the Reorganization and as of the date hereof, Power beneficially owns all of the issued and outstanding Common Shares. The First Preferred Shares remain outstanding shares of the Corporation and listed on the TSX following the completion of the Reorganization, and the Corporation's 6.9 per cent debentures due March 11, 2033 remain outstanding as obligations of the Corporation. The Reorganization was initially announced on December 13, 2019 by the Corporation and Power and was approved by Power Financial shareholders at a meeting held on February 11, 2020 and received final court approval on February 12, 2020.

In March 2020, the Corporation was granted exemptive relief (the "Compensation Disclosure Exemptive Relief") from the Autorité des marchés financiers and the Ontario Securities Commission, on behalf of the securities regulatory authorities in each of the provinces and territories of Canada, exempting the Corporation from the requirement to provide compensation disclosure required by securities laws in its annual information form, for so long as: (i) the Corporation files such compensation disclosure as a stand-alone document under its profile on SEDAR at [www.sedar.com](http://www.sedar.com) no later than 140 days after its most recently completed financial year and (ii) the Corporation includes in its annual information form in respect of a financial year a notice that its compensation disclosure in respect of that financial year, when filed, is deemed to be incorporated by reference in its annual information form.

## EUROPE

On February 7, 2017, GBL redeemed bonds exchangeable into ENGIE shares it then held, for cash in an amount of €306 million. During the first quarter of 2017, GBL sold ENGIE shares representing 0.5 per cent of the share capital of ENGIE for proceeds of €145 million. After this transaction, GBL's remaining interest in ENGIE was 0.1 per cent, most of which was sold later in 2017.

As part of its strategy to include a limited selection of investments of lower size in its diversified portfolio, GBL has invested progressively in Burberry Group plc, Ontex N.V., GEA Group and Parques in the past few years. On May 9, 2018, GBL announced the sale of its 6.6 per cent stake in Burberry Group plc, corresponding to 27.6 million shares and proceeds of GBP498 million. As at December 31, 2019, GBL held 20.0 per cent, 8.5 per cent and 23.0 per cent of the share capital of Ontex N.V., GEA Group and Parques, respectively.

On February 8, 2018, GBL invested an additional €144 million in Umicore, NV/SA, increasing its holding to 17.7 per cent. As at December 31, 2019, GBL held 18.0 per cent of the share capital of Umicore, NV/SA.

On June 12, 2018, GBL completed the issuance of seven-year 1.875 per cent €500 million bonds due June 19, 2025. The proceeds of this issuance were used by GBL for general corporate purposes and to allow GBL to lengthen its debt maturity profile.

On October 9, 2018, GBL's convertible bonds, issued on September 27, 2013, expired. Pargesa's economic interest in GBL stood at 51.7 per cent as at December 31, 2019 (compared to 50.8 per cent and 51.8 per cent as at December 31, 2018 and December 31, 2017, respectively).

In 2019, GBL sold part of its investment in adidas AG for net proceeds of €499 million. GBL held 6.8 per cent of the share capital of adidas AG as at December 31, 2019 (compared to 7.8 per cent and 7.5 per cent as at December 31, 2018 and December 31, 2017, respectively).

In March and April 2019, GBL sold a 0.6 per cent interest in Total SA through forward sales contracts maturing on January 24, 2020. GBL expects to realize a gain of €411 million in the first quarter of 2020. As of January 24, 2020, GBL's interest in Total SA was reduced to 0.01 per cent.

On August 2, 2019, GBL announced that it had signed an agreement to acquire Webhelp Group, through an investment vehicle controlled by GBL and alongside the co-founding shareholders and the management team. Webhelp Group is a provider of customer experience and business process outsourcing. On November 19, 2019, GBL completed the acquisition of Webhelp Group. GBL invested €0.9 billion for an ownership of 64.7 per cent of the capital of the investment vehicle, on the basis of a total enterprise value of €2.4 billion for Webhelp Group.

On September 6, 2019, GBL announced the completion of an offering by its wholly owned subsidiary Eliott Capital S.à.r.l. of €750 million of bonds (the “EC Bonds”) exchangeable into existing registered shares of LafargeHolcim Ltd guaranteed by GBL. The EC Bonds do not bear interest and mature on December 30, 2022, except in the case of early redemption. The EC Bonds have been issued at an issue price of 101.0 per cent of their principal amount and are redeemable at their principal amount at maturity, corresponding to an annual gross yield to maturity of -0.3 per cent. The proceeds of the offering are used by GBL for general corporate purposes.

In December 2019, the shares of Parques were delisted following the approval by the Comisión Nacional del Mercado de Valores of Piolin Bidco, S.A.U.'s voluntary takeover bid for the shares of Parques (“Piolin’s Bid”). In accordance with its irrevocable undertaking if Piolin’s Bid was successful, GBL contributed its Parques shares to Piolin’s Bid. Upon completion of Piolin’s Bid, GBL indirectly held 23.3 per cent of Parques. As at December 31, 2019, GBL indirectly held 23.0 per cent of Parques.

On March 11, 2020, Parjointco and Pargesa announced an agreement for a proposed transaction that would simplify the group structure. As per the agreement, a public exchange offer will be initiated by Parjointco for all Pargesa shares not already owned by Parjointco under which Pargesa shareholders will be entitled to receive 0.93 shares of GBL for each Pargesa bearer share they hold. Following the proposed transaction, it is anticipated that Pargesa will be delisted from the SIX and Parjointco is expected to retain *de facto* control of GBL. The proposed transaction will be subject to Parjointco holding or having received shareholder acceptances with respect to at least 90 per cent of Pargesa’s total voting rights and it is conditional upon GBL shareholders approving the implementation of double-voting rights at GBL’s Extraordinary Shareholders Meeting to be held on April 28, 2020.

The Pargesa portfolio currently consists primarily of investments in Imerys SA, adidas AG, Pernod Ricard SA, SGS SA, LafargeHolcim Ltd, Umicore, NV/SA, Total SA, GEA Group, Ontex N.V., Webhelp Group and Parques, which are held through Pargesa’s subsidiary, GBL. The ownership interest of Power Financial in these companies as at December 31, 2019, through the Pargesa group, is more fully described in the section entitled “Narrative Description of the Business – The Pargesa Group”. In addition, through its subsidiary Sienna Capital, GBL is developing a portfolio of private equity, debt and thematic funds.

## COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

## ITEM 6 NARRATIVE DESCRIPTION OF THE BUSINESS

Power Financial is an international management and holding company with interests in financial services and asset management businesses in Canada, the United States and Europe. Power Financial has remained committed to the growth and evolution of its primary holdings through its controlling interests in Lifeco and IGM Financial, and in recent years has implemented an active fintech strategy. Power Financial also has significant holdings in a portfolio of global companies based in Europe through its indirect investment in Pargesa. These European investments are held by Pargesa through its subsidiary, GBL, a Belgian holding company.

### Item 6.1 Great-West Lifeco Inc.

Lifeco is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. Lifeco operates in Canada, the United States and Europe through Canada Life, Empower Retirement, Putnam, Canada Life Limited and Irish Life. As at December 31, 2019, Lifeco and its subsidiaries had approximately \$1.6 trillion in assets under administration and approximately 24,000 employees worldwide.

On April 3, 2019, Lifeco announced that its three Canadian life insurance companies, Great-West Life, London Life and Canada Life, were moving to one brand in Canada: Canada Life. Canada Life became the brand under which the organization creates, delivers and communicates products and services in Canada across all of its lines of business. On November 25, 2019, Lifeco announced that it had received final regulatory approval from Canada's Minister of Finance to amalgamate Great-West Life, London Life, Canada Life and their holding companies, CLFC and London Insurance, into one single life insurance company, The Canada Life Assurance Company. The amalgamation was completed on January 1, 2020.

In Canada, Canada Life offers a broad portfolio of financial and benefit plan solutions for individuals, families, businesses and organizations through two primary business units: Individual Customer and Group Customer. Through the Individual Customer business unit, Canada Life provides life, disability and critical illness insurance products as well as wealth savings and income products and services to individual clients. Through the Group Customer business unit, Canada Life provides life, accidental death and dismemberment, critical illness, health and dental protection and creditor insurance as well as accumulation and annuity products and other specialty products to group clients in Canada.

The Europe segment is comprised of two distinct business units: (i) Insurance & Annuities, which offers protection and wealth management products, including payout annuity products, through subsidiaries of Canada Life in the United Kingdom, the Isle of Man, Ireland and Germany and through Irish Life in Ireland; and (ii) Reinsurance, which operates primarily in the United States, Barbados and Ireland. Prior to January 1, 2020, Reinsurance products were provided through Canada Life, London Life and their respective subsidiaries. Effective January 1, 2020, Reinsurance products are provided through Canada Life and its subsidiaries.

In the United States, Empower Retirement offers employer-sponsored defined contribution plans, individual retirement accounts, enrollment services, communication materials, investment options and education services. The Great-West Investments brand offers fund management, investment and advisory services. Empower Retirement services and products are marketed nationwide through its sales force, brokers, consultants, advisors, third-party administrators and financial institutions. The Empower Institutional brand offers private label recordkeeping and administrative services for other providers of defined contribution plans and associated defined benefit plans. Empower Retirement is the second largest defined contribution recordkeeper in the United States and the largest provider of services to state defined contribution plans.

Effective June 1, 2019, Empower Retirement, a subsidiary of Lifeco, completed the sale, through reinsurance, of substantially all of its individual life insurance and annuity business to Protective Life Insurance Company ("Protective Life"), the primary subsidiary of Protective Life Corporation. The business sold includes bank-owned and corporate-owned life insurance, single premium life insurance, individual annuities and closed block life insurance and annuities.

Putnam offers a broad range of investment products, including equity, fixed income, absolute return and alternative strategies. Individual retail investors are served through a broad network of distribution relationships with unaffiliated broker-dealers, financial planners, registered investment advisors and other financial institutions that distribute the Putnam Funds to their customers, which, in total, include approximately 136,000 advisors. Institutional investors are supported by Putnam's dedicated account management, product management, and client service professionals. As at December 31, 2019, Putnam had approximately US\$181.7 billion in total assets under management.

Great-West Life also owned, as at December 31, 2019, approximately 9.2 million common shares (representing 3.9 per cent) of IGM Financial (excluding approximately 0.029 million common shares of IGM Financial held by Great-West Life in its segregated funds or for similar purposes).

The section entitled "Description of the Business" of Lifeco's Annual Information Form is incorporated herein by reference.

### **Item 6.2 IGM Financial Inc.**

IGM Financial is a wealth and asset management company, primarily providing investment advisory and related services, with \$190.2 billion in client assets under administration as at December 31, 2019, which includes \$166.8 billion in assets under management. Its activities are carried out through IG Wealth Management, Mackenzie Investments and Investment Planning Counsel.

As at December 31, 2019, IGM Financial and its subsidiaries had 3,378 employees.

IG Wealth Management, founded in 1926, delivers personalized financial solutions to Canadians through a network of 3,381 consultants located throughout Canada, with \$97.3 billion in client assets under administration as at December 31, 2019, which includes \$93.2 billion in mutual fund assets under management. In addition to an exclusive family of mutual funds and other investment vehicles, IG Wealth Management offers a wide range of insurance, securities, mortgage products and other financial services.

Mackenzie Investments was founded in 1967, and is an investment management firm providing investment advisory and related services. With \$70.2 billion in assets under management as at December 31, 2019, Mackenzie Investments distributes its products and services primarily through a diversified distribution network of third party financial advisors. In October 2017, IGM Financial combined the investment management functions of IG Wealth Management and Mackenzie Investments together to form a single global investment management organization to support both companies under Mackenzie Investments. Total assets managed by this combined team were \$140.1 billion as at December 31, 2019.

Investment Planning Counsel was founded in 1996, and is an independent distributor of financial products, services and advice in Canada. Investment Planning Counsel is a financial planning organization in Canada, with 728 financial advisors and \$27.7 billion in client assets under administration as at December 31, 2019, which includes \$5.4 billion in assets under management.

As at December 31, 2019, IGM Financial owned all of the outstanding common shares of IG Wealth Management, Mackenzie Investments and Investment Planning Counsel, and approximately 37.3 million common shares (representing 4.0 per cent) of Lifeco.

The section entitled "Description of Business" of IGM Financial's Annual Information Form is incorporated herein by reference.

### **Item 6.3 The Pargesa Group**

The information contained herein concerning Pargesa and the companies in which it has an investment has been publicly reported by Pargesa. Although Power Financial has no knowledge that would indicate that any statements contained in such information are materially incorrect, Power Financial takes no responsibility for the accuracy or completeness of such information, or for any omission by such companies to disclose facts or events which may have occurred or may affect the significance or accuracy of any such information but which are not known to Power Financial.

## BACKGROUND OF THE PARGESA GROUP

The Corporation's interest in Pargesa is held through Parjointco, a holding company, as further described below. The carrying value of the Corporation's interest in Parjointco was \$4.0 billion as at December 31, 2019.

Pargesa is organized under the laws of Switzerland. In 1981, Power participated with European partners in reorganizing the company to acquire Paribas (Suisse) S.A. of Geneva. Power, and subsequently Power Financial, participated with others in the development of Pargesa throughout the ensuing decade. The extent of this participation increased steadily and, under an agreement concluded in 1990 (the "agreement"), Power Financial now holds substantial interests in the Pargesa group with the Frère group of Charleroi, Belgium, another of the original partners in Pargesa. Pursuant to the agreement, Power Financial, through its wholly owned subsidiary PFE, and the Frère group established a new holding company structure bringing together their respective interests in Pargesa and GBL. Each of the Power Financial group and the Frère group controls on an equal basis Parjointco, incorporated under the laws of The Netherlands. Parjointco, at December 31, 2019, in turn held a 75.4 per cent voting interest and a 55.5 per cent equity interest in Pargesa, while Pargesa held at that same date a 51.7 per cent voting interest and a 50.0 per cent equity interest in GBL. Recent developments regarding the Corporation's interest in Pargesa are described in the section entitled "General Development of the Business – Development of the business over the last three years - Europe" of this Annual Information Form. The agreement was intended to achieve and maintain parity between the Power group and the Frère group with respect to their control in each of Pargesa, GBL (and at that time, Parfinance S.A.) and their respective designated subsidiaries. Each group agreed not to acquire, hold or dispose of interests in any of those corporations (other than through Parjointco), either directly or indirectly, and has granted the other group a prior right, subject to certain restrictions, to acquire its interests in Pargesa and GBL upon any disposition thereof for a period of five years beginning at the termination of the agreement. The initial agreement, signed in 1990, had a term of 11 years subject to possible extensions. It requires the maintenance of the shareholding control chain. On September 24, 1996, the term of the agreement was extended to December 31, 2014 and on December 17, 2012, the term of the agreement was extended to December 31, 2029 with provision for possible further extension of the agreement.

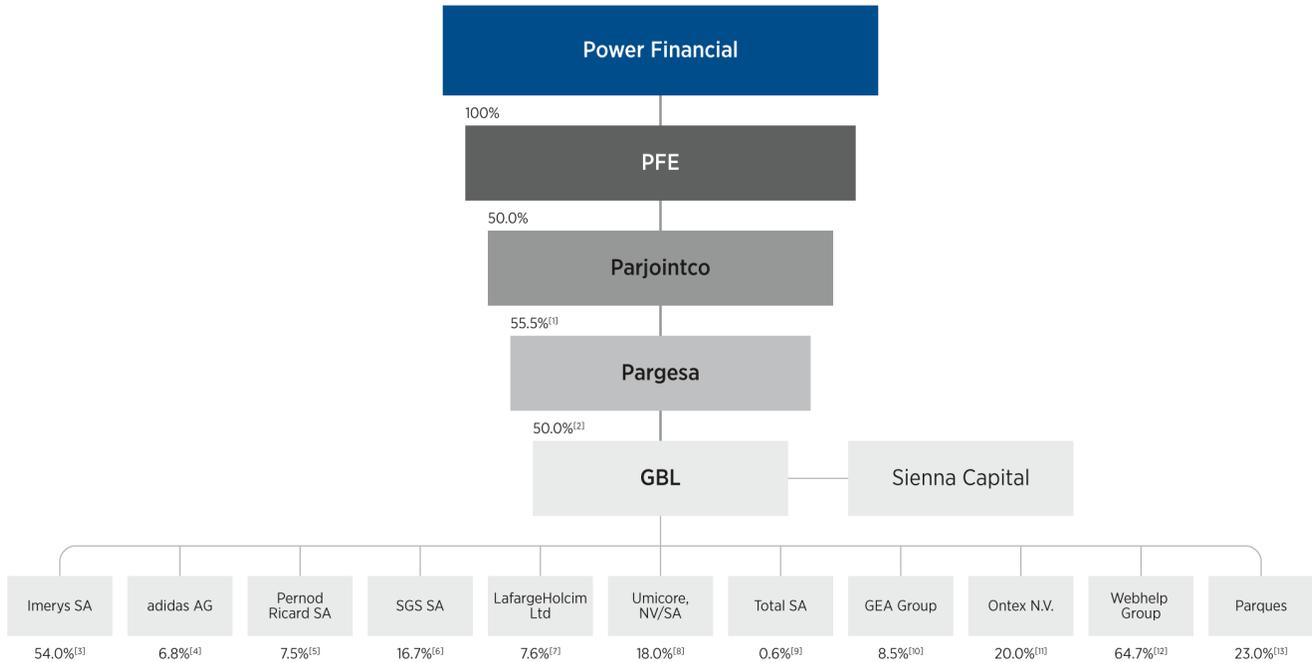
Upon the occurrence of an event of default, the groups must submit to pre-arbitration with a view of resolving the default and, if that is unsuccessful, shall proceed to arbitration. Subject to the results of such arbitration, the non-defaulting group is entitled to elect either the first or both of the following remedies: (a) the liquidation of the jointly owned holding company established to hold their respective interests in Pargesa and GBL, and termination of the agreement; and (b) the acquisition of interests in Pargesa held by the defaulting group or acquired by it on the liquidation of the jointly owned holding company, at the market price of the Pargesa voting shares at the time of the arbitrators' decision and at the issued price of any other Pargesa securities.

The Pargesa group currently holds significant interests in a limited number of global European companies. These interests are held by Pargesa's affiliated Belgian holding company, GBL, as shown on the chart on the following page. At December 31, 2019, the group share of equity of Pargesa was \$14.5 billion (SF10.8 billion)<sup>[a]</sup>. The financial information reported herein in respect of Pargesa has been extracted from Pargesa's financial statements.

[a] Information in this section uses currency conversion rates in effect for the year ended December 31, 2019.

The following is a simplified chart of the corporate structure of the Pargesa group and includes direct and indirect principal holdings as at December 31, 2019.

Percentages denote interests in participating equity held by subsidiaries and affiliates of Pargesa. Further details of interests are shown on page 16.



[1] 75.4 per cent voting interest. On March 11, 2020, Parjointco and Pargesa announced an agreement for a proposed transaction that would simplify the group structure. As per the agreement, a public exchange offer will be initiated by Parjointco for all Pargesa shares not already owned by Parjointco under which Pargesa shareholders will be entitled to receive 0.93 shares of GBL for each Pargesa bearer share they hold. Following the proposed transaction, it is anticipated that Pargesa will be delisted from the SIX and Parjointco is expected to retain *de facto* control of GBL. The proposed transaction will be subject to Parjointco holding or having received shareholder acceptances with respect to at least 90 per cent of Pargesa's total voting rights and it is conditional upon GBL shareholders approving the implementation of double-voting rights at GBL's Extraordinary Shareholders Meeting to be held on April 28, 2020.

[2] 51.7 per cent voting interest.

[3] 67.6 per cent voting interest.

[4] 6.8 per cent voting interest.

[5] 12.0 per cent voting interest.

[6] 16.7 per cent voting interest.

[7] 7.6 per cent voting interest.

[8] 18.0 per cent voting interest.

[9] 1.2 per cent voting interest.

[10] 8.5 per cent voting interest.

[11] 20.0 per cent voting interest.

[12] 64.7 per cent voting interest.

[13] 23.0 per cent voting interest.

Table of interests of the Pargesa group and Pargesa's net asset value:

As at December 31, 2019 (in millions of SF)	Jurisdiction of Incorporation	Net Assets (Pargesa's share)	% of Pargesa's net asset value
<b>Listed Investments</b>			
Adidas AG	Germany	2,144	20
Pernod Ricard SA	France	1,721	16
SGS SA	Switzerland	1,679	15
LafargeHolcim Ltd	Switzerland	1,253	11
Umicore, NV/SA	Belgium	1,043	10
Imerys SA	France	878	8
Total SA	France	433	4
GEA Group	Germany	246	2
Ontex N.V.	Belgium	167	1
Other		63	1
<b>Non listed Investments</b>			
Sienna Capital	Luxembourg	969	9
Webhelp Group	France	470	4
Parques	Spain	128	1
Other Pargesa		18	1
<b>GBL treasury shares</b>		266	2
<b>Net cash and short-term assets, net of debt</b>		(532)	(5)
<b>Net asset value</b>		<b>10,946</b>	<b>100</b>

## PARGESA – DESCRIPTION OF GROUP COMPANIES

GBL, which is controlled by Pargesa, is a holding company with its headquarters in Brussels, Belgium. Its main holdings are an interest in Imerys SA (mineral-based specialty solutions for industry); adidas AG (design and distribution of sportswear); Pernod Ricard SA (wines and spirits); SGS SA (testing, inspection and certification); LafargeHolcim Ltd (cement, aggregates and concrete); Umicore, NV/SA (materials technology and recycling of precious metals); Total SA (oil, gas and chemical industries); GEA Group (supply of equipment and project management for a wide range of processing industries, primarily in the food and beverage sectors); Ontex N.V. (disposable hygiene products); Webhelp Group (provision of customer experience and business process outsourcing); and Parques (operation of regional leisure parks). In addition, through its subsidiary Sienna Capital, GBL is developing a portfolio of private equity, debt and thematic funds. For more information, please refer to Part D of Power Financial's MD&A related to Pargesa or to the websites of the companies listed above in the Pargesa portfolio, which are not incorporated herein by reference.

### Item 6.4 Fintech investments

#### PORTAG3 VENTURES

Power Financial, together with Lifeco and IGM Financial, are anchor investors in funds managed by an affiliate, Portag3 Ventures, which operates investment funds dedicated to backing innovative financial services companies that have the potential for change and global impact. As at March 18, 2020, Portag3 Ventures had invested in more than 45 fintech companies and investment funds through Portag3 Ventures Fund I and Portag3 Ventures Fund II. Portag3 Ventures Fund II is focused on early stage investments in specific verticals within the global financial technology sector. Portag3 Ventures Fund I is wholly owned by the Corporation (63.0 per cent), together with Lifeco (18.5 per cent) and IGM Financial (18.5 per cent). Power Financial, Lifeco and IGM Financial have each committed \$33 million to Portag3 Ventures Fund II. Portag3 Ventures is managed by Sagard Holdings, a subsidiary of Power.

#### WEALTHSIMPLE

As at December 31, 2019, Power Financial, Portag3 Ventures Fund I and IGM Financial held equity interests in Wealthsimple of 21.2 per cent, 16.8 per cent and 46.9 per cent, respectively, representing an aggregate equity and voting interests of 84.9

and 85.3 per cent, respectively. Wealthsimple is a financial technology company operating in digital investing services. Wealthsimple continues to expand its presence in the marketplace and diversify its offering to a suite of investment and save products, which include Wealthsimple Invest, Wealthsimple Save, Wealthsimple Trade, Wealthsimple for Advisors (W4A) and Wealthsimple for Work (W4W). As at December 31, 2019, Wealthsimple had over 250,000 clients across the Canadian, United States and United Kingdom markets with assets under administration of over \$6.3 billion. On January 23, 2020, Wealthsimple announced that Purpose Advisor Solutions acquired Wealthsimple for Advisors.

#### **KOHO**

As at December 31, 2019, Portag3 Ventures Fund II, Portag3 Ventures Fund I, Power Financial, Lifeco and IGM Financial held a 54.4 per cent equity interest in Koho. Koho is a Canada-based digital platform offering a suite of financial services.

## ITEM 7 RISK FACTORS

There are certain risks inherent in an investment in the non-voting securities of the Corporation, such as its First Preferred Shares and the Corporation's 6.9 per cent debentures due March 11, 2033 (the "Debentures"), and in the activities of the Corporation, including the following and other risks discussed elsewhere in this Annual Information Form, which investors should carefully consider before investing in securities of the Corporation. This description of risks does not include all possible risks, and there may be other risks of which the Corporation is not currently aware.

Power Financial is an international management and holding company with interests in financial services and asset management businesses in Canada, the United States and Europe. Its principal holdings are a controlling interest in each of Lifeco and IGM Financial and a joint controlling interest in Parjointco, which itself holds a controlling interest in GBL through Pargesa. As a result, the Corporation bears the risks associated with being a significant shareholder of these operating companies. The risks of being an investor in Lifeco are described and referenced in the subsection entitled "Risk Factors" of Lifeco's Annual Information Form, which subsection and further references are incorporated herein by reference, and the risks of being an investor in IGM Financial are referenced in the subsection entitled "Risk Factors" of IGM Financial's Annual Information Form, which subsection and further references are incorporated herein by reference. The risks of being an investor in Pargesa are described in Pargesa's consolidated financial statements for the year ended December 31, 2019, which are not incorporated herein by reference.

The share price of Power Financial's First Preferred Shares and the share price of its subsidiaries may be volatile and subject to fluctuations in response to numerous factors beyond Power Financial's and such subsidiaries' control, including as a result of the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19". There is no market over which the Debentures may be traded, and it is very unlikely that one will develop. Consequently, holders of Debentures may not be able to liquidate their Debentures in a timely manner, if at all. Economic conditions may adversely affect Power Financial and its subsidiaries, including fluctuations in foreign exchange, inflation and interest rates, as well as monetary policies, business investment and the health of capital markets in Canada, the United States, Europe and Asia. At times, financial markets have experienced significant price and volume fluctuations that have affected the market prices of equity securities held by the Corporation and its subsidiaries and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. These factors may cause decreases in asset values that are deemed to be significant or prolonged, which may result in impairment charges. In periods of increased levels of volatility and related market turmoil, Power Financial's subsidiaries' operations could be adversely impacted and the trading price of Power Financial's First Preferred Shares may be adversely affected.

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 First Preferred Shares shareholders of Power Financial are dependent on the operating performance, profitability, financial position and creditworthiness of its subsidiaries, jointly controlled corporations 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.

The ability of Power Financial to arrange additional financing in the future will depend in part upon prevailing market conditions as well as the business performance of Power Financial and its subsidiaries. Although the Corporation has been able to access capital on financial markets in the past, there can be no assurance this will be possible in the future. The inability of Power Financial to access sufficient capital on acceptable terms could have a material adverse effect on Power Financial's business, prospects, dividend paying capability and financial condition, and further enhancement opportunities or acquisitions.

A holder of First Preferred Shares or Debentures has no voting rights in the Corporation, except in limited circumstances, as may be required by law or as specifically provided in the provisions attaching to such securities.

The Corporation may choose to redeem the First Preferred Shares from time to time, including when prevailing interest rates are lower than yields borne by the First Preferred Shares, and investors might not be able to reinvest the redemption proceeds in a comparable investment.

Additional information about the risks and uncertainties of the Corporation's business is provided in the section entitled "Risk Management" in Power Financial's MD&A, which section is incorporated herein by reference.

## ITEM 8 DESCRIPTION OF THE SHARE CAPITAL

### Item 8.1 General

The authorized capital of Power Financial consists of an unlimited number of First Preferred Shares (the “First Preferred Shares”), an unlimited number of Second Preferred Shares (the “Second Preferred Shares”), and an unlimited number of common shares (the “Common Shares”). As at March 18, 2020, there were issued and outstanding:

Share Class	Number of Shares Issued and Outstanding
<b>First Preferred Shares</b>	
Series A	4,000,000
Series D	6,000,000
Series E	8,000,000
Series F	6,000,000
Series H	6,000,000
Series I	8,000,000
Series K	10,000,000
Series L	8,000,000
Series O	6,000,000
Series P	8,965,485
Series Q	2,234,515
Series R	10,000,000
Series S	12,000,000
Series T	8,000,000
Series V	10,000,000
<b>Common Shares</b>	<b>664,096,506</b>

There are no Series U First Preferred Shares or Second Preferred Shares issued and outstanding.

Dividends on the Common Shares, First Preferred Shares and Second Preferred Shares are payable only as and when declared by the Board of Directors.

Following the completion of the Reorganization and as of the date hereof, Power beneficially owns all of the issued and outstanding Common Shares of the Corporation.

The following is a summary of the features of the Corporation’s share capital. Reference should be made to the articles of the Corporation for a complete description of all terms and conditions of our share capital. These articles can be found on our website at [www.powerfinancial.com](http://www.powerfinancial.com) and are filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### Item 8.2 Common Shares

Each Common Share entitles the holder to one vote at all meetings of shareholders (other than meetings exclusively of another class or series of shares) provided that the holder of Common Shares is not entitled to vote separately as a class in the case of an amendment to the Articles of the Corporation referred to in paragraphs (a), (b) and (e) of subsection 176(1) of the CBCA. Subject to the rights of holders of the First Preferred Shares and the Second Preferred Shares, each Common Share entitles the holder to receive any dividend on such share and to participate equally with all other holders of Common Shares (if any) in the remaining property of Power Financial on dissolution or winding-up. There are no conversion rights, special liquidation rights, pre-emptive rights or subscription rights attaching to the Common Shares.

### Item 8.3 First Preferred Shares

The First Preferred Shares may be issued in one or more series with such rights, privileges, restrictions and conditions as the Board of Directors designates. With respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of Power Financial, whether voluntary or involuntary, or any other distribution of the assets of Power Financial among its shareholders for the purpose of winding-up its affairs, the First Preferred Shares of each series rank on a parity with the First Preferred Shares of every other series and in priority to the Second Preferred Shares, the Common Shares and any other shares ranking junior to the First Preferred Shares. Holders of First Preferred Shares of any series shall not be entitled to notice of or to attend or to vote at any meeting of its shareholders except as may be required by law or as specifically provided in the provisions attaching to the First Preferred Shares of such series. Holders of First Preferred Shares are not entitled to vote separately as a class in the case of an amendment to the Articles of the Corporation referred to in paragraphs (a), (b) and (e) of subsection 176(1) of the CBCA.

In the event of the liquidation, dissolution or winding-up of Power Financial or other distribution of the assets of Power Financial 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 Power Financial and of holders of shares of Power Financial ranking prior to the First Preferred Shares, the holders of the First Preferred Shares shall be entitled to be paid and to receive an amount equal to \$25.00 per First Preferred Share plus declared and unpaid dividends before any amount shall be paid or any assets of Power Financial shall be distributed to the holders of Common Shares or of shares of any other class of Power Financial ranking junior to the First Preferred Shares.

The following table sets out, for each series of First Preferred Shares, the quarterly dividend payable to the holders of First Preferred Shares along with the current (and if applicable, future) redemption price of each series. Each series of First Preferred Shares ranks equally with all other First Preferred Shares.

	Floating rate dividend	Fixed non-cumulative annual dividend (payable quarterly)	Redemption price <sup>[1]</sup> (plus declared and unpaid dividends)	Conversion rights
<b>Series A First Preferred Shares</b>	Cumulative, one quarter of 70.0% of Prime <sup>[2]</sup> , payable quarterly	-	\$25.00	-
<b>Series D First Preferred Shares</b>	-	5.50%	\$25.00	-
<b>Series E First Preferred Shares</b>	-	5.25%	\$25.00	-
<b>Series F First Preferred Shares</b>	-	5.90%	\$25.00	-
<b>Series H First Preferred Shares</b>	-	5.75%	\$25.00	-
<b>Series I First Preferred Shares</b>	-	6.00%	\$25.00	-
<b>Series K First Preferred Shares</b>	-	4.95%	\$25.00	-
<b>Series L First Preferred Shares</b>	-	5.10%	\$25.00	-
<b>Series O First Preferred Shares</b>	-	5.80%	\$25.00	-
<b>Series P First Preferred Shares</b>	-	2.306% <sup>[3]</sup>	\$25.00 on January 31, 2021 and on January 31 every five years thereafter	Holders' option to convert into Series Q shares on January 31, 2021 <sup>[4]</sup>

	Floating rate dividend	Fixed non-cumulative annual dividend (payable quarterly)	Redemption price <sup>[1]</sup> (plus declared and unpaid dividends)	Conversion rights
<b>Series Q First Preferred Shares</b>	Non-cumulative, annual dividend, payable quarterly, equal to the product of \$25.00 and the Floating Quarterly Dividend Rate <sup>[5]</sup>	-	Since January 31, 2016, for the redemption prices set forth in footnote [6] below	Holder's option to convert into Series P shares on January 31, 2021 <sup>[4]</sup>
<b>Series R First Preferred Shares</b>	-	5.50%	\$25.50 since April 30, 2019 \$25.25 on or after April 30, 2020 \$25.00 on or after April 30, 2021	-
<b>Series S First Preferred Shares</b>	-	4.80%	\$25.75 since April 30, 2019 \$25.50 on or after April 30, 2020 \$25.25 on or after April 30, 2021 \$25.00 on or after April 30, 2022	-
<b>Series T First Preferred Shares</b>	-	4.215% <sup>[3]</sup>	\$25.00 on January 31, 2024 and on January 31 every five years thereafter	Holder's option to convert into Series U shares on January 31, 2024 <sup>[4]</sup>
<b>Series U First Preferred Shares</b>	Non-cumulative, annual dividend, payable quarterly, equal to the product of \$25.00 and the Floating Quarterly Dividend Rate <sup>[5]</sup>	-	Commencing on January 31, 2024, for the redemption prices set forth in footnote [6] below	Holder's option to convert into Series T shares on January 31, 2029 <sup>[4]</sup>
<b>Series V First Preferred Shares</b>	-	5.15%	\$26.00 on or after July 31, 2022 \$25.75 on or after July 31, 2023 \$25.50 on or after July 31, 2024 \$25.25 on or after July 31, 2025 \$25.00 on or after July 31, 2026	

\* Notes to this table are on the following page.

- [1] All series of First Preferred Shares may be redeemed in whole or in part.
- [2] Prime means, for any quarterly dividend period, the arithmetic average of the Prime Rates quoted by two reference banks in effect during each day during the three-month period which ends on the last day of the calendar month immediately preceding the first day of the calendar month preceding the month in which the applicable dividend payment date in respect of which the determination is being made, and "Prime Rate" is the reference rate as quoted by those two banks for determining interest rates on Canadian dollar commercial loans made to prime commercial borrowers in Canada.
- [3] For the period from (i) February 1, 2016 up to but excluding January 31, 2021 for Series P First Preferred Shares, or (ii) February 1, 2019 up to but excluding January 31, 2024 for the Series T First Preferred Shares. Thereafter, during the "Subsequent Fixed Rate Periods" (that is, for the period from and including (i) January 31, 2021 up to but excluding January 31, 2026 for the Series P First Preferred Shares, or (ii) January 31, 2024 up to but excluding January 31, 2029 for the Series T First Preferred Shares, and, in each case, for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to but excluding January 31 in the fifth year thereafter), the fixed non-cumulative preferential dividends is equal to a product of \$25.00 and the rate of interest equal to the sum of the Government of Canada Yield on the applicable "Fixed Rate Calculation Date" (that is, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of the applicable Subsequent Fixed Rate Period) plus: (i) 1.60 per cent for the Series P First Preferred Shares, or (ii) 2.37 per cent for the Series T First Preferred Shares, payable quarterly.
- [4] And on January 31 every five years thereafter, in each case, subject to the Corporation's right to redeem all the shares of such First Preferred Shares Series and to other conditions.
- [5] The Floating Quarterly Dividend Rate means, for any "Quarterly Floating Rate Period" (that is, the period from and including: (i) January 31, 2016 to but excluding April 30, 2016 for Series Q First Preferred Shares, or (ii) the period from and including January 31, 2024 to but excluding April 30, 2024 for Series U First Preferred Shares, and, in each case, thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding "Quarterly Commencement Date" (that is the last day of January, April, July and October in each year)), the rate of interest equal to the sum of the T-Bill Rate on the applicable "Floating Rate Calculation Date" (that is, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period) plus: (i) 1.60 per cent in the case of Series Q First Preferred Shares and (ii) 2.37 per cent in the case of Series U First Preferred Shares.
- [6] For (A) \$25.00 per share plus declared and unpaid dividends to the date fixed for redemption for redemptions on: (i) January 31, 2021 for Series Q First Preferred Shares, or on (ii) January 31, 2029 for Series U First Preferred Shares, and on January 31 every five years thereafter or (B) for \$25.50 together with all declared and unpaid dividends to the date fixed for redemption in the case of redemptions on any other date after: (i) January 31, 2016 for Series Q First Preferred Shares, or (ii) January 31, 2024 for Series U First Preferred shares, that is not a date on which such First Preferred Shares Series can be converted.

#### Item 8.4 Second Preferred Shares

The Second Preferred Shares may be issued in one or more series with such rights, privileges, restrictions and conditions as the Board of Directors designates. With respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of Power Financial, whether voluntary or involuntary, or any other distribution of the assets of Power Financial among its shareholders for the purpose of winding-up its affairs, the Second Preferred Shares of each series rank on a parity with the Second Preferred Shares of every other series and in priority to the Common Shares and any other shares ranking junior to the Second Preferred Shares. The holders of Second Preferred Shares of any series are not entitled to notice of or to attend or to vote at any meeting of Power Financial or of its shareholders except as may be required by law or as specifically provided in the provisions attaching to the Second Preferred Shares of such series. There are no Second Preferred Shares issued and outstanding.

## ITEM 9 RATINGS

The table below provides the ratings assigned to the Corporation and its outstanding securities as at March 24, 2020.

	DBRS Limited ("DBRS")	Standard & Poor's Ratings Services ("S&P")
Issuer rating	A (high)	A+
6.9% debentures due March 11, 2033	A (high)	A+
Preferred shares:		
Cumulative	Pfd-2 (high)	Canadian scale P-1 (Low) Global scale A-
Non-cumulative	Pfd-2 (high)	Canadian scale P-1 (Low) Global scale A-

The ratings of the Corporation and its outstanding securities have been assigned a stable trend by DBRS and a stable outlook by S&P.

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 definitions of the categories of each rating set forth below have been obtained from the respective rating agencies' websites.

The Corporation has paid customary rating fees to S&P and DBRS in connection with the above-mentioned ratings. In addition, the Corporation has, in the ordinary course of business, made payments in respect of other services provided to the Corporation by S&P and DBRS during the last two years.

### (A) DBRS LIMITED

In general terms, DBRS ratings are opinions that reflect the creditworthiness of an issuer, a security or an obligation.

DBRS corporate rating analysis begins with an evaluation of the fundamental creditworthiness of the issuer, which is reflected in an issuer rating. Issuer ratings address the overall credit strength of the issuer and, unlike ratings on individual securities or classes of securities, are based on the entity itself, without consideration for security or ranking. Ratings that apply to actual securities may be higher, lower or equal to the issuer rating for a given entity.

DBRS' securities ratings are opinions based on forward-looking measurements that assess an issuer's ability and willingness to make timely payments on outstanding obligations (whether principal, interest, dividend, or distributions) with respect to the terms of an obligation.

The DBRS long-term obligation rating scale provides an opinion on the risk of default, which is the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims.

The DBRS preferred share rating scale is used in the Canadian securities market and is meant to give an indication of the risk that a borrower will not fulfill its full obligations in a timely manner, with respect to both dividend and principal commitments. Every DBRS rating is based on quantitative and qualitative considerations relevant to the borrowing entity.

Most rating categories are denoted by the subcategories "high" and "low". The absence of either a "high" or "low" designation indicates the rating is in the middle of the category. Rating trends provide guidance in respect of DBRS' opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories – "Positive", "Stable" or "Negative". The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue, or in some cases, unless challenges are addressed. In general, the DBRS view is based primarily on an evaluation of the issuing entity itself, but may also include consideration of the outlook for the industry or industries in which the issuing entity operates.

DBRS typically assigns issuer ratings on a long-term basis using its long-term obligation rating scale. The Corporation's DBRS issuer rating is A (high). The Corporation's debentures rating of A (high) is the fifth highest of twenty-six ratings used by DBRS for long-term debt. Long-term debt rated "A" by DBRS is of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than that of "AA" rated entities. Entities in this category may be vulnerable to future events, but qualifying negative factors are considered manageable.

The Corporation's preferred shares rating of 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 of satisfactory 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 rating corresponds with companies whose senior bonds are rated in the "A" category.

## **(B) STANDARD & POOR'S RATINGS SERVICES**

An S&P issuer credit rating is a current opinion of an obligor's overall financial capacity (creditworthiness) to pay its financial obligations and focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation.

In contrast, an issue rating relates to a specific financial obligation, a specific class of financial obligations, or a specific financial program. The rating on a specific issue may reflect positive or negative adjustments relative to the issuer's rating for (i) the presence of collateral, (ii) explicit subordination, or (iii) any other factors that affect the payment priority, expected recovery, or credit stability of the specific issue.

Since there are future events and developments that cannot be foreseen, the assignment of credit ratings is not an exact science and, for this reason, S&P ratings opinions are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular security issue will default. Instead, ratings express relative opinions about the creditworthiness of an issuer or credit quality of an individual issue, from strongest to weakest, within a universe of credit risk.

Most ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major letter rating categories. An S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future credit watch action.

An S&P issuer rating usually refers to the issuer's ability and willingness to meet senior, unsecured obligations. The Corporation's S&P issuer rating is A+. The Corporation's debentures' rating of A+ is the fifth highest of twenty-two ratings used by S&P in its long-term issue credit rating scale. A long-term debenture 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 commitment on the obligation is still strong.

The S&P Canadian preferred share rating scale serves issuers, investors and intermediaries in the Canadian financial markets by expressing preferred share ratings (determined in accordance with global rating criteria) in terms of rating symbols that have been actively used in the Canadian market over a number of years. An S&P preferred share rating on the Canadian scale is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific preferred share obligation issued in the Canadian market, relative to preferred shares issued by other issuers in the Canadian market. There is a direct correspondence between the specific ratings assigned on the Canadian preferred share scale and the various rating levels on the global debt rating scale of S&P. The Canadian scale rating is fully determined by the applicable global scale rating, and there are no additional analytical criteria associated with the determination of ratings on the Canadian scale. It is the practice of S&P to present an issuer's preferred share ratings on both the global rating scale and on the Canadian national scale when listing the ratings for a particular issuer.

The Corporation's preferred shares' rating of P-1 (Low) on S&P's Canadian national preferred share rating scale corresponds to A- on S&P's Global preferred share rating scale. 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, an A- rating is the fifth highest of twenty ratings used by S&P in its Global preferred share rating scale. A preferred share rating of A- indicates that the obligor's capacity to meet its financial commitments on the obligation is still strong, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher rated categories.

## ITEM 10 DIVIDENDS

The cash dividends declared per share over the last three years for each class of the Corporation's shares outstanding as at December 31, 2019 were as follows:

(in dollars)	2019	2018	2017
Common Shares (PWF) <sup>[1]</sup>	1.8220	1.7320	1.6500
Series A First Preferred Shares (PWF.PR.A)	0.691252	0.630127	0.506739
Series D First Preferred Shares (PWF.PR.E)	1.3750	1.3750	1.3750
Series E First Preferred Shares (PWF.PR.F)	1.3125	1.3125	1.3125
Series F First Preferred Shares (PWF.PR.G)	1.4750	1.4750	1.4750
Series H First Preferred Shares (PWF.PR.H)	1.4375	1.4375	1.4375
Series I First Preferred Shares (PWF.PR.I)	1.5000	1.5000	1.5000
Series K First Preferred Shares (PWF.PR.K)	1.2375	1.2375	1.2375
Series L First Preferred Shares (PWF.PR.L)	1.2750	1.2750	1.2750
Series O First Preferred Shares (PWF.PR.O)	1.4500	1.4500	1.4500
Series P First Preferred Shares (PWF.PR.P)	0.5765	0.5765	0.5765
Series Q First Preferred Shares (PWF.PR.Q)	0.812460	0.70913	0.567281
Series R First Preferred Shares (PWF.PR.R)	1.3750	1.3750	1.3750
Series S First Preferred Shares (PWF.PR.S)	1.2000	1.2000	1.2000
Series T First Preferred Shares (PWF.PR.T)	1.053752	1.0500	1.0500
Series V First Preferred Shares (PWF.PR.Z)	1.2875	1.2875	0.879205

[1] Following the completion of the Reorganization, the Common Shares were delisted from the TSX effective as of the close of trading on February 18, 2020.

The current practice of the Corporation is to pay dividends to the holders of Common Shares on a quarterly basis. All future dividend amounts and dates are subject to approval by the Board of Directors.

Following the completion of the Reorganization and as of the date hereof, Power beneficially owns all of the issued and outstanding Common Shares of the Corporation.

## ITEM 11 MARKET FOR SECURITIES

The following table provides information regarding the price range and volume traded for each of these classes of securities of Power Financial on the Toronto Stock Exchange (the "TSX") on a monthly basis for each month of the year ended December 31, 2019. Currently there are no outstanding Series U First Preferred Shares.

	Common Shares (PWF) <sup>(1)</sup>	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)
<b>January 2019</b>								
Intraday High (\$)	27.45	17.95	24.18	23.39	25.55	25.30	25.65	21.85
Intraday Low (\$)	25.38	15.50	23.25	22.35	24.82	24.59	25.11	21.00
Volume	16,452,981	44,213	55,026	306,421	242,182	223,974	140,649	123,876
<b>February 2019</b>								
Intraday High (\$)	29.38	15.62	24.23	23.20	25.43	25.22	25.68	21.85
Intraday Low (\$)	26.70	14.28	23.85	22.78	25.07	24.75	25.25	21.42
Volume	12,358,324	37,282	33,578	35,720	61,494	46,052	85,466	283,993
<b>March 2019</b>								
Intraday High (\$)	31.75	14.45	25.18	24.48	25.76	25.50	25.93	23.56
Intraday Low (\$)	29.26	12.57	24.18	23.10	25.33	25.12	25.52	21.68
Volume	19,409,764	75,380	40,471	217,944	37,846	35,685	106,154	194,649
<b>April 2019</b>								
Intraday High (\$)	33.27	13.85	25.45	24.61	25.83	25.70	26.14	23.29
Intraday Low (\$)	31.35	13.00	24.90	23.67	25.37	25.23	25.65	22.07
Volume	21,086,664	31,261	60,057	140,871	52,100	80,018	112,423	317,453
<b>May 2019</b>								
Intraday High (\$)	31.98	13.82	25.34	24.24	25.68	25.65	25.88	22.87
Intraday Low (\$)	29.58	12.95	24.70	23.60	25.35	25.32	25.59	22.10
Volume	14,172,260	101,532	73,154	275,180	41,285	37,889	60,004	191,635
<b>June 2019</b>								
Intraday High (\$)	30.77	13.06	24.85	23.93	25.78	25.68	26.11	22.43
Intraday Low (\$)	29.34	11.67	24.25	23.24	25.39	25.31	25.60	21.70
Volume	15,269,090	113,308	47,146	47,618	42,486	30,649	50,467	132,372
<b>July 2019</b>								
Intraday High (\$)	30.43	12.27	25.02	24.09	25.85	25.69	26.12	22.50
Intraday Low (\$)	28.62	11.83	24.59	23.50	25.41	25.15	25.65	22.00
Volume	11,630,658	78,244	32,965	62,826	55,500	27,250	39,385	96,224
<b>August 2019</b>								
Intraday High (\$)	29.08	11.96	24.92	23.83	25.70	25.57	25.90	22.26
Intraday Low (\$)	27.08	10.21	23.86	22.75	25.52	25.20	25.65	21.37
Volume	12,209,962	160,980	56,533	66,933	86,920	54,830	84,764	277,236
<b>September 2019</b>								
Intraday High (\$)	31.12	12.27	25.00	24.00	25.92	25.51	26.13	22.65
Intraday Low (\$)	28.10	10.60	24.22	23.15	25.66	25.03	25.76	21.76
Volume	15,913,634	99,925	54,018	62,692	34,150	65,160	62,809	88,552

	Common Shares (PWF) <sup>[1]</sup>	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)
<b>October 2019</b>								
Intraday High (\$)	31.38	12.65	25.25	24.17	25.94	25.66	26.13	22.88
Intraday Low (\$)	29.28	11.30	24.91	23.83	25.55	25.24	25.71	22.41
Volume	12,838,515	125,863	53,542	87,353	70,065	65,239	63,280	143,603
<b>November 2019</b>								
Intraday High (\$)	33.26	12.15	25.28	24.46	25.88	25.76	26.12	23.09
Intraday Low (\$)	30.84	11.60	24.91	24.10	25.67	25.51	25.93	22.65
Volume	130,900,409	11,564	26,965	58,138	30,025	26,185	49,200	108,755
<b>December 2019</b>								
Intraday High (\$)	37.00	13.17	25.40	24.80	25.94	25.81	26.17	23.59
Intraday Low (\$)	31.94	11.51	25.01	24.18	25.48	25.59	25.36	22.88
Volume	22,668,542	196,515	95,460	71,457	251,225	59,668	150,667	117,249

[1] Following the completion of the Reorganization, the Common Shares were delisted from the TSX effective as of the close of trading on February 18, 2020.

	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)
<b>January 2019</b>								
Intraday High (\$)	22.40	25.53	15.85	16.75	24.54	21.90	20.11	22.78
Intraday Low (\$)	21.82	24.84	14.14	15.20	23.36	20.76	18.84	21.96
Volume	82,705	201,390	54,535	21,368	91,445	110,255	64,358	93,412
<b>February 2019</b>								
Intraday High (\$)	22.76	25.43	14.86	15.40	25.00	21.79	19.75	22.83
Intraday Low (\$)	22.06	25.05	13.93	14.32	24.30	21.07	19.00	22.12
Volume	54,844	35,907	58,696	34,400	177,037	381,830	63,187	86,587
<b>March 2019</b>								
Intraday High (\$)	23.99	25.77	15.00	14.95	25.55	22.70	19.94	24.25
Intraday Low (\$)	22.37	25.20	13.85	14.09	24.81	21.19	19.28	22.75
Volume	94,833	41,965	223,452	74,050	211,215	407,767	182,452	155,745
<b>April 2019</b>								
Intraday High (\$)	24.10	25.76	14.70	14.71	25.80	22.93	19.91	24.10
Intraday Low (\$)	22.85	25.31	13.90	14.30	25.32	21.20	19.00	23.37
Volume	200,507	48,249	55,323	29,100	128,445	91,150	166,853	83,790
<b>May 2019</b>								
Intraday High (\$)	23.54	25.68	14.30	14.58	25.75	22.49	19.09	23.81
Intraday Low (\$)	22.91	25.35	13.26	13.81	24.98	22.00	18.23	23.30
Volume	171,254	23,160	70,887	24,950	132,213	153,396	133,851	123,655
<b>June 2019</b>								
Intraday High (\$)	23.21	25.73	13.32	13.80	25.12	22.30	18.56	23.41
Intraday Low (\$)	22.50	25.30	12.26	12.57	24.52	21.60	17.54	22.91
Volume	181,554	32,837	111,511	95,165	141,944	73,206	80,877	30,896

	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)
<b>July 2019</b>								
Intraday High (\$)	23.53	25.90	13.78	13.80	25.39	22.35	18.98	23.46
Intraday Low (\$)	22.85	25.37	13.06	12.98	24.87	21.38	18.09	22.75
Volume	38,361	68,473	110,643	43,078	100,091	78,981	69,015	49,116
<b>August 2019</b>								
Intraday High (\$)	23.16	25.79	13.80	13.50	25.33	22.14	18.63	23.19
Intraday Low (\$)	22.06	25.45	11.44	11.50	24.41	20.94	16.38	22.27
Volume	87,411	74,360	379,226	94,617	100,217	78,985	71,089	95,978
<b>September 2019</b>								
Intraday High (\$)	23.50	25.89	13.42	13.64	25.40	22.33	17.65	24.00
Intraday Low (\$)	22.47	25.62	12.20	12.58	24.63	21.16	17.15	22.93
Volume	50,077	24,017	849,058	119,450	35,864	74,180	169,371	54,158
<b>October 2019</b>								
Intraday High (\$)	23.76	25.87	13.51	13.41	25.51	22.39	17.69	24.00
Intraday Low (\$)	23.29	25.47	12.00	12.28	25.05	21.80	16.76	23.64
Volume	209,595	59,191	356,701	46,000	37,047	124,320	218,785	64,410
<b>November 2019</b>								
Intraday High (\$)	24.22	25.84	13.40	13.32	25.28	22.64	18.08	23.99
Intraday Low (\$)	23.44	25.58	12.58	12.85	24.95	21.94	16.80	23.74
Volume	45,531	44,245	269,030	43,570	67,460	397,991	196,998	63,572
<b>December 2019</b>								
Intraday High (\$)	24.22	25.84	14.07	14.10	25.72	23.10	18.50	24.30
Intraday Low (\$)	23.49	25.67	12.50	12.70	25.10	22.09	17.41	23.70
Volume	44,898	46,041	523,878	110,327	86,618	152,757	127,187	88,366

## ITEM 12 DIRECTORS AND OFFICERS

### Item 12.1 Directors

The following table sets forth the full name, province or state and country of residence and principal occupation for each current Director<sup>[1]</sup> of the Corporation.

Name and Province/State and Country of Residence	Director since	Current Principal Occupation	Previously held position(s) (in the past five years)	Committee Membership <sup>[2]</sup>
André Desmarais Québec, Canada	May 1988	Deputy Chairman of the Corporation and of Power	Executive Co-Chairman of the Corporation and President and Co-Chief Executive Officer of Power <sup>[3]</sup>	-
Paul Desmarais, Jr. Québec, Canada	April 1983	Chairman of the Corporation and of Power	Executive Co-Chairman of the Corporation and Co-Chief Executive Officer of Power <sup>[3]</sup>	-
Gary A. Doer Manitoba, Canada	May 2016	Senior Business Advisor at Dentons Canada LLP since August 2016	Canada's Ambassador to the United States	Audit Committee
R. Jeffrey Orr Québec, Canada	May 2005	President and Chief Executive Officer of the Corporation and of Power <sup>[3]</sup>	n/a	-
T. Timothy Ryan, Jr. <sup>[4]</sup> Florida, U.S.A	May 2014	Company Director	n/a	Audit Committee
Siim A. Vanaselja Ontario, Canada	May 2018	Company Director since 2015	Executive Vice-President and Chief Financial Officer of BCE Inc. and Bell Canada	Audit Committee (Chair)

[1] On February 28, 2020, following the Reorganization, Messrs. Marc A. Bibeau, Gérald Frère, Anthony R. Graham, J. David A. Jackson, Ms. Susan J. McArthur and Dr. Emőke J.E. Szathmáry resigned from the Board of Directors of the Corporation as a result of the Board's decision to reduce the number of its members from 12 to 6.

[2] Following completion of the Reorganization, the Compensation Committee, the Governance and Nominating Committee and the Related Party and Conduct Review Committee of the Board were terminated.

[3] As part of the Reorganization, Messrs. Paul Desmarais, Jr. and André Desmarais retired as Co-Chief Executive Officers of Power on February 13, 2020 and as Executive Co-Chairmen of the Corporation on March 18, 2020. They continue to as serve as Chairman and Deputy Chairman, respectively, of the Board of Directors of the Corporation and of Power. Mr. R. Jeffrey Orr, President and Chief Executive Officer of the Corporation, became President and Chief Executive Officer of Power on February 13, 2020.

[4] Mr. Ryan also served as a Director of the Corporation from May 2011 to May 2013.

## Item 12.2 Executive and other officers

The following table sets forth the full name, province or state and country of residence and principal occupation for each current executive and other officers<sup>[1]</sup> of the Corporation.

Name and Province/State and Country of Residence	Current Principal Occupation	Previously held position(s) (in the past five years)
R. Jeffrey Orr Québec, Canada	President and Chief Executive Officer of the Corporation and of Power <sup>[2]</sup>	n/a
Gregory D. Tretiak Québec, Canada	Executive Vice-President and Chief Financial Officer of the Corporation and of Power	n/a
Stéphane Lemay Québec, Canada	Vice-President, General Counsel and Secretary of the Corporation and of Power	n/a
Denis Le Vasseur Québec, Canada	Vice-President and Controller of the Corporation and of Power	n/a

[1] On March 18, 2020, following the Reorganization, as a result of the Corporation's Board of Directors' decision to reduce the number of officers of the Corporation from 19 to 4, the following individuals ceased to be officers of the Corporation: Paul Desmarais, Jr., André Desmarais, Michel Plessis-Bélair, Amaury de Seze, Claude Généreux, Olivier Desmarais, Paul Desmarais, III, Paul C. Genest, Hugo Breton, Mei Dong, Eoin Ó hÓgáin, Richard Pan, Pierre Piché, Luc Reny and Delia Cristea.

[2] On February 13, 2020, as part of the Reorganization, Mr. R. Jeffrey Orr, President and Chief Executive Officer of the Corporation, became President and Chief Executive Officer of Power.

## ITEM 13 VOTING SECURITIES

The aggregate number and percentage of securities of each class of voting securities of Power Financial and its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by all Directors and executive officers of Power Financial as a group<sup>[1]</sup>, as at December 31, 2019, was:

Name	Number of shares	Percentage
<b>Power Financial</b>		
Common Shares <sup>[2]</sup>	515,690	0.08
<b>Lifeco</b>		
Common Shares	537,029	0.06
<b>IGM Financial</b>		
Common Shares	242,484	0.10

- [1] Securities directly or indirectly controlled or beneficially owned by Power, Power Financial, Lifeco and IGM Financial have not been included in the table. As at December 31, 2019, Power Financial controlled directly or indirectly 65.0 per cent and 66.0 per cent of the voting shares of Lifeco and IGM Financial, respectively, while Power (through a wholly owned subsidiary) exercised control over 64.1 per cent of the voting shares of Power Financial, and the Desmarais Family Residuary Trust exercises control over Pansolo which, as at December 31, 2019, directly and indirectly owned voting shares of Power carrying 61.8 per cent of the votes attached to the voting securities of Power. The Desmarais Family Residuary Trust is for the benefit of members of the family of The Honourable Paul G. Desmarais. The trustees of the Desmarais Family Residuary Trust are Paul Desmarais, Jr., André Desmarais, Sophie Desmarais, Michel Plessis-Bélair and Guy Fortin. The trustees also act as voting administrators. Decisions with respect to voting and disposition of Pansolo's shares of Power are determined (subject to the rights of Paul Desmarais, Jr. and André Desmarais to direct the sale or pledge of up to 15,000,000 and 14,000,000 Subordinate Voting Shares of Power, respectively) by a majority of the trustees of the Desmarais Family Residuary Trust, excluding Sophie Desmarais, provided that, if there is no such majority, Paul Desmarais, Jr. and André Desmarais, acting together, may make such decisions. Paul Desmarais, Jr., André Desmarais and Michel Plessis-Bélair are each a Director and/or officer of Power Financial.
- [2] Following the completion of the Reorganization and as of the date hereof, Power beneficially owns 100 per cent of the issued and outstanding Common Shares.

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## ITEM 14 INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out below or as described elsewhere in this Annual Information Form, none of (i) the Directors or executive officers of the Corporation, (ii) shareholders who beneficially own or control directly or indirectly more than 10 per cent of the Common Shares, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

On April 17, 2019, Lifeco completed a substantial issuer bid and purchased for cancellation 59,700,974 of its common shares, representing approximately 6.0 per cent of its issued and outstanding common shares on a non-diluted basis prior to the repurchase, at a purchase price of \$33.50 per common share. Pursuant to the bid, 49,318,032 of the Lifeco common shares beneficially owned by the Corporation were purchased by Lifeco.

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## ITEM 15 MATERIAL CONTRACTS

Except for the arrangement agreement entered into by Power Financial and Power on December 12, 2019 and the related voting rights and support agreements entered into by Power and each of Power Financial's Directors and executive officers as well as with Pansolo which were filed on December 18, 2019 on SEDAR ([www.sedar.com](http://www.sedar.com)) under Power Financial's and Power's respective company profiles, Power Financial is not bound by any material contract for which a filing is required. The descriptions of the foregoing agreements, as contained within the material change report of the Corporation dated December 18, 2019, are incorporated herein by reference.

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## ITEM 16 TRANSFER AGENT

Power Financial's securities are transferable at the principal offices of its transfer agent and registrar, Computershare Investor Services Inc., in Toronto and Montréal.

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## ITEM 17 EXPERTS

Power Financial's auditor is Deloitte LLP. Deloitte LLP has advised the Corporation that it is independent with respect to the Corporation within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

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## ITEM 18 ADDITIONAL INFORMATION

Additional information relating to Power Financial may be found on SEDAR at [www.sedar.com](http://www.sedar.com). In accordance with the Compensation Disclosure Exemptive Relief, the Corporation's Statement of Executive Compensation, when filed under its profile on SEDAR at [www.sedar.com](http://www.sedar.com), will be deemed to be incorporated by reference into this Annual Information Form. Additional financial information is provided in the financial statements for the year ended December 31, 2019 and Power Financial's MD&A, which have been filed on SEDAR. Lifeco and IGM Financial, the major direct and indirect subsidiaries of Power Financial, are reporting issuers under Canadian securities legislation. These issuers are required to file annual and interim financial statements, material change reports and copies of material contracts, which may be viewed under the respective company profiles at [www.sedar.com](http://www.sedar.com).