

## **Preliminary Short Form Base Shelf Prospectus**

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

*A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.*

*This short form base shelf prospectus has been filed under legislation in all provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

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

## **Preliminary Short Form Base Shelf Prospectus**

**New Issue**

November 9, 2018



**POWER CORPORATION  
OF CANADA**

**\$2,000,000,000**

**Debt Securities (unsecured)**

**Subordinate Voting Shares**

**First Preferred Shares**

**Subscription Receipts**

Power Corporation of Canada ("Power" or the "Corporation") may from time to time offer and issue the following securities: (i) debt securities (the "Debt Securities") of the Corporation; (ii) subordinate voting shares (the "Subordinate Voting Shares") of the Corporation; (iii) first preferred shares (the "First Preferred Shares") of the Corporation; and (iv) subscription receipts (the "Subscription Receipts") of the Corporation, or any combination thereof. The Debt Securities, Subordinate Voting Shares, First Preferred Shares, and Subscription Receipts (together, the "Securities") offered hereby may be offered separately or together, in separate series, in amounts, at prices and on terms to be set forth in an accompanying shelf prospectus supplement (a "Prospectus Supplement"). All shelf information not included in this short form base shelf prospectus (the "Prospectus") will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with the Prospectus. Power may sell up to \$2,000,000,000 in aggregate initial offering price of Securities (or the Canadian dollar equivalent thereof at the time of issuance if any of the Securities are denominated in a foreign currency or currency unit) during the 25-month period that this Prospectus, including any amendments hereto, remains valid.

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption at the option of Power or the holder, any exchange or conversion terms and any other specific terms; (ii) in the case of Subordinate Voting Shares, the number of shares, the offering price, and any other specific terms; (iii) in the case of First Preferred Shares, the designation of the particular class, series, aggregate principal

amount, the number of shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at the option of Power or the holder, any exchange or conversion terms and any other specific terms; and (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price and the conditions and procedures for the exchange of the Subscription Receipts for Debt Securities, Subordinate Voting Shares or First Preferred Shares, as the case may be. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives or parameters described in this Prospectus.

The outstanding Subordinate Voting Shares of the Corporation, the Participating Preferred Shares of the Corporation and the First Preferred Shares of the Corporation are listed on the Toronto Stock Exchange (the “TSX”) under the stock symbol “POW”, “POW.PR.E”, and “POW.PR.A”, “POW.PR.B”, “POW.PR.C”, “POW.PR.D”, “POW.PR.F” and “POW.PR.G”, respectively.

The Articles of Power do not contain any rights or provisions applicable to holders of Subordinate Voting Shares where a takeover bid is made for the Participating Preferred Shares.

The Securities may be sold through underwriters or dealers, by Power directly pursuant to applicable statutory exemptions or through agents designated by Power from time to time. See “Plan of Distribution”. Each Prospectus Supplement will identify each underwriter, dealer or agent engaged in connection with the offering and sale of those Securities, and will also set forth the terms of the offering of such Securities including the net proceeds to Power and, to the extent applicable, any fees payable to the underwriters, dealers or agents. The offerings are subject to approval of certain legal matters by Blake, Cassels & Graydon LLP on behalf of Power.

Power’s registered and head office is located at 751 Victoria Square, Montréal, Québec, H2Y 2J3.

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## FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus, 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's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and the reader is cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods. 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, 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 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 the documents incorporated herein by reference, including the Corporation's Annual Information Form dated March 28, 2018 and its Management's Discussion and Analysis of the financial condition and performance for the year ended December 31, 2017 and the three- and nine-month periods ended September 30, 2018.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents, filed with securities commissions or similar authorities in Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the Annual Information Form of Power dated March 28, 2018, including documents incorporated by reference therein;
- (b) the unaudited interim condensed consolidated financial statements of Power as at September 30, 2018 and for the three- and nine-month periods ended September 30, 2018 and 2017, together with the notes thereto;
- (c) the interim Management's Discussion and Analysis of the financial condition and performance of Power for the three- and nine-month periods ended September 30, 2018;
- (d) the audited consolidated financial statements of Power as at and for the years ended December 31, 2017 and 2016, together with the notes thereto, and the independent auditor's report thereon;
- (e) the Management's Discussion and Analysis of the financial condition and performance of Power for the year ended December 31, 2017; and
- (f) the Management Proxy Circular dated March 23, 2018 with respect to the Annual Meeting of Shareholders of Power held on May 11, 2018.

All documents of Power of the type described in Section 11.1 of Form 44-101F1 — Short Form Prospectus to National Instrument 44-101 — Short Form Prospectus Distributions, if filed by Power with the provincial and territorial securities commissions or similar authorities in Canada after the date of this Prospectus and during the term of this Prospectus shall be deemed to be incorporated by reference into this Prospectus.

A Prospectus Supplement containing the specific terms in respect of any Securities will be delivered, together with this Prospectus, to purchasers of such Securities and will be deemed to be incorporated into this Prospectus for the purposes of securities legislation as at the date of the Prospectus Supplement, but only for the purposes of the distribution of the Securities to which such Prospectus Supplement pertains.

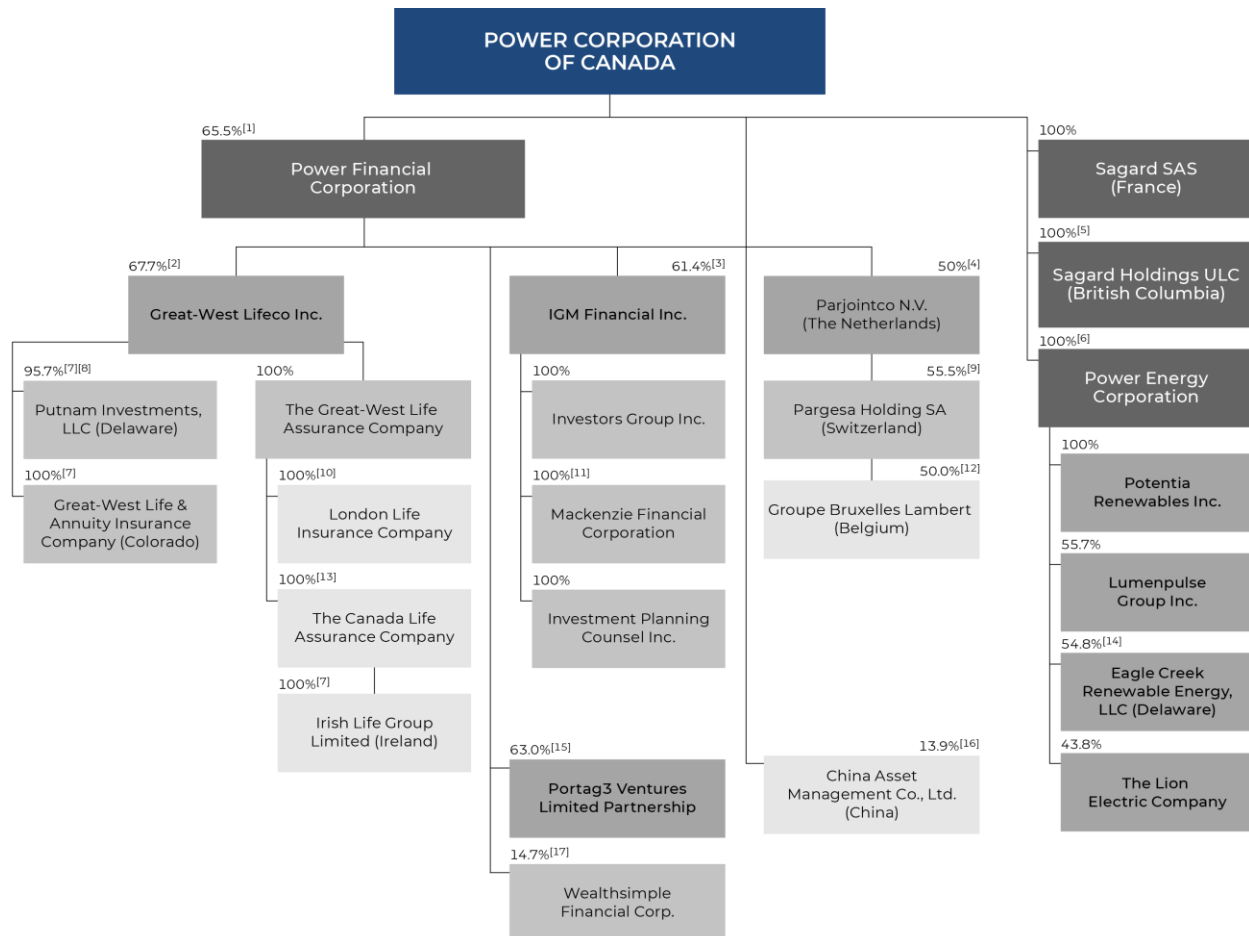
Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be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

When a new annual information form and related annual financial statements are filed by Power and, where required, accepted by the applicable securities regulatory authorities during the term of this Prospectus, the previous annual information form, the previous annual financial statements, all interim financial statements, material change reports and information circulars filed by Power prior to the commencement of Power's financial year in which the new annual information form is filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

## POWER CORPORATION OF CANADA

### Intercorporate Relationships

The following chart summarizes Power's corporate structure at September 30, 2018, including interests (direct and indirect) in its material and certain other subsidiaries and investments. Unless otherwise specified below, all companies were incorporated in Canada. The indicated percentages represent approximate participating equity interests.



[1] Owned by 171263 Canada Inc., which is wholly owned directly by Power.

[2] 54.4 per cent of the participating equity securities of Lifeco (as defined below) are owned by Power Financial (as defined below), 2.9 per cent are owned by 3411893 Canada Inc., a wholly owned subsidiary of Power Financial, 7.4 per cent are owned by 3439453 Canada Inc., a wholly owned subsidiary of Power Financial, and 3.0 per cent are owned by 4400003 Canada Inc., a wholly owned subsidiary of Power Financial. In addition, IGM Financial (as defined below), 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.

[3] 58.2 per cent of the participating equity securities of IGM Financial are owned by Power Financial, 2.3 per cent are owned by 3411893 Canada Inc., a wholly owned subsidiary of Power Financial, and 0.9 per cent are owned by 4400003 Canada Inc., a wholly owned subsidiary of Power Financial. In addition, Great-West Life (as defined below), a subsidiary of the Corporation, owns 3.8 per cent of the participating equity securities of IGM Financial (excluding 0.02 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 65.2 per cent of the votes attached to all voting securities of IGM Financial.

[4] Owned through Power Financial Europe B.V., a wholly owned subsidiary of Power Financial.

- [5] Owned through wholly owned subsidiaries of Power.
- [6] Owned by Victoria Square Ventures Inc., which is wholly owned directly by Power.
- [7] Owned through wholly owned subsidiaries of Lifeco.
- [8] 100 per cent voting interest.
- [9] 75.4 per cent voting interest.
- [10] Owned through London Insurance Group Inc., a wholly owned subsidiary of Lifeco.
- [11] Owned through a wholly owned subsidiary of IGM Financial.
- [12] Certain companies in the Pargesa group, including Groupe Bruxelles Lambert, are more fully described in the section entitled “Narrative Description of the Business – The Pargesa Group” of Power Financial’s Annual Information Form dated March 28, 2018, which is incorporated herein by reference.
- [13] Owned through Canada Life Financial Corporation, a wholly owned subsidiary of Lifeco.
- [14] Power Energy Corporation holds a 60 per cent equity interest in Power Energy Eagle Creek LLP, which holds a 54.8 per cent equity interest in Eagle Creek Renewable Energy, LLC. In August 2018, Power Energy Corporation, through its indirect subsidiary Power Energy Eagle Creek LLP, entered into an agreement to dispose of its interest in Eagle Creek Renewable Energy, LLC. The transaction is subject to regulatory approvals and other customary closing conditions and is expected to be concluded in the fourth quarter of 2018.
- [15] Portag3 (as defined below) is wholly owned by Power Financial (63.0 per cent) together with Lifeco (18.5 per cent) and IGM Financial (18.5 per cent).
- [16] Mackenzie Financial Corporation also holds a 13.9 per cent interest in China Asset Management Co., Ltd.
- [17] Power Financial directly holds a 14.7 per cent interest in Wealthsimple (as defined below), and Portag3 and IGM Financial also hold interests of 23.6 per cent and 43.3 per cent, respectively.

## **General**

Power is a diversified international management and holding company with interests in the financial services, asset management, sustainable and renewable energy, and other business sectors in North America, Europe and Asia.

Power’s principal asset is its controlling interest in Power Financial Corporation (“Power Financial”). As at September 30, 2018, Power held a 65.5 per cent equity and voting interest in Power Financial. Power Financial holds substantial interests in the financial services sector through its controlling interest in each of Great-West Lifeco Inc. (“Lifeco”) and IGM Financial Inc. (“IGM Financial”). These companies and their subsidiaries offer an extensive range of financial products and services to individuals and corporations in Canada, the United States and Europe.

Through its wholly owned subsidiary, Power Financial Europe B.V. (“Power Financial Europe”), Power Financial holds a 50.0 per cent interest in Parjointco N.V. (“Parjointco”), which held, as of September 30, 2018 a 55.5 per cent equity interest, representing 75.4 per cent of the voting rights, in Pargesa Holding SA (“Pargesa”), a holding company with significant interests in global industrial and services companies based in Europe.

Power operates equity investment funds in three geographical regions and holds investments in Asia. Also, Power indirectly holds 100 per cent of Power Energy Corporation (“PEC”), which is active in the sustainable and renewable energy sector.

As at December 31, 2017, Power and its subsidiaries had, in aggregate, approximately 30,500 employees worldwide.

## **Power Financial Corporation**

As at September 30, 2018, Power Financial controlled, directly and indirectly, approximately 71.7 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 September 30, 2018, Power Financial also controlled, directly and indirectly, approximately 65.2 per cent of the outstanding common shares of IGM Financial.

## **Great-West Lifeco Inc.**

Lifeco is an international financial services holding company with interests in the life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. Lifeco has operations in Canada, the United States and Europe through The Great-West Life Assurance Company (“Great-West Life”), London Life Insurance Company (“London Life”), The Canada Life Assurance Company (“Canada Life”), Great-West Life & Annuity Insurance Company (“Great-West Financial”), Putnam Investments, LLC (“Putnam”), Canada Life Limited and Irish Life Group Limited (“Irish Life”). As at September 30, 2018, Lifeco and its subsidiaries had over \$1.4 trillion in assets under administration.

Lifeco currently has no other material holdings, and currently carries on no businesses or activities unrelated to its holdings in Great-West Life, London Life, Canada Life, Great-West Financial, Putnam, Canada Life Limited, Irish Life and their subsidiaries. However, Lifeco is not restricted to investing in those companies and may make other investments in the future.

### ***The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company and Irish Life Group Limited***

Great-West Life owns all of the shares of London Insurance Group Inc. (“LIG”), a company continued under the *Canada Business Corporations Act* (the “CBCA”). LIG owns all of the shares of London Life. Great-West Life owns all of the shares of Canada Life Financial Corporation (“CLFC”), which in turn owns all of the shares of Canada Life. Each of Great-West Life, London Life, CLFC and Canada Life are Canadian insurance companies governed by the *Insurance Companies Act* (Canada). Great-West Life also owned as at September 30, 2018, approximately 9.2 million common shares (representing 3.8 per cent) of IGM Financial (excluding approximately 36,000 common shares of IGM Financial held by Great-West Life in its segregated funds or for similar purposes).

In Canada, Great-West Life, London Life and Canada Life offer 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, Great-West Life, London Life and Canada Life provide life, disability and critical illness insurance products as well as wealth accumulation and annuity products to individual clients. Through the Group Customer business unit, Great-West Life, London Life and Canada Life provide life, accidental death and dismemberment, critical illness, health and dental protection, creditor and direct marketing insurance as well as accumulation and annuity products and other specialty products to group clients.

The European segment is comprised of two distinct business units: 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 Reinsurance, which operates primarily in the United States, Barbados and Ireland. Reinsurance products are provided through Canada Life, London Life and their subsidiaries.

### ***Great-West Life & Annuity Insurance Company***

In the United States, Great-West Financial provides life insurance, annuities and executive benefits products. Its Great-West Investments unit offers fund management, investment and advisory services. The company's Empower Retirement division serves all segments of the employer-sponsored retirement plan market – small, mid-size and large corporate clients, government plans, non-profit entities and private-label recordkeeping clients. Empower also offers individual retirement accounts.

### ***Putnam Investments, LLC***

Putnam provides investment management, certain administrative functions, and distribution services. 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 over 160,000 advisors. Institutional investors are supported by Putnam's dedicated account management, product management, and client service professionals and through strategic relationships with certain investment management firms outside of the United States. As at September 30, 2018, Putnam had approximately US\$177.2 billion in total assets under management.

### ***IGM Financial Inc.***

IGM Financial is a personal financial services company, primarily providing investment advisory and related services. Its activities are carried out principally through its subsidiaries Investors Group Inc. ("IG Wealth Management"), Mackenzie Financial Corporation ("Mackenzie Investments") and Investment Planning Counsel Inc. ("Investment Planning Counsel"). As at September 30, 2018, IGM Financial owned all of the outstanding common shares of IG Wealth Management, Mackenzie Investments, and Investment Planning Counsel, and 39.7 million common shares (representing 4.0 per cent) of Lifeco.

As at September 30, 2018, IGM Financial had approximately \$159.7 billion in total assets under management.

### ***IG Wealth Management***

IG Wealth Management, founded in 1926, delivers personalized financial solutions to Canadians through a network of 3,827 consultants located throughout Canada, with approximately \$89.0 billion in mutual fund assets under management as at September 30, 2018. 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 Financial Corporation***

Mackenzie Investments was founded in 1967, and is an investment management firm providing investment advisory and related services. With approximately \$67.3 billion in total assets under management as at September 30, 2018, Mackenzie Investments distributes its products and services primarily through a diversified distribution network of third party financial advisors.

### ***Investment Planning Counsel Inc.***

Investment Planning Counsel was founded in 1996, and is an independent distributor of financial products, services and advice in Canada, with 773 financial advisors and \$27.8 billion in client assets under administration as at September 30, 2018, which includes over \$5.5 billion in mutual fund assets under management in Counsel Portfolio Services Inc.

## **Power Financial Europe B.V.**

As at September 30, 2018, Power Financial Europe held a 50 per cent interest in Parjointco, which held a 75.4 per cent voting interest and a 55.5 per cent equity interest in Pargesa. At such date, Pargesa held a 50.7 per cent voting and a 50.0 per cent equity interest in Groupe Bruxelles Lambert (“GBL”). The Pargesa group currently holds significant interests in a limited number of large European companies, through its affiliated Belgian holding company, GBL. As at September 30, 2018, such interests consisted principally of a 53.8 per cent interest in Imerys S.A. (mineral-based specialty solutions for industry); a 7.5 per cent interest in adidas AG (design and distribution of sportswear); a 16.6 per cent interest in SGS S.A. (testing, inspection and certification); a 7.5 per cent interest in Pernod Ricard SA (wines and spirits); a 9.4 per cent interest in LafargeHolcim Ltd (cement, aggregates and concrete); a 16.9 per cent interest in Umicore S.A. (materials technology and recycling of precious metals); a 0.6 per cent interest in Total S.A., (oil, gas and chemical industries); a 7.3 per cent interest in GEA Group (supplier of equipment and project management for a wide range of processing industries primarily in the food and beverage sectors); a 20.0 per cent interest in Ontex N.V. (disposable hygiene products); and a 21.2 per cent interest in Parques Reunidos Servicios Centrales S.A. (operation of regional leisure parks).

## **Portag3 and Wealhsimple Financial Corp.**

Power Financial (together with IGM Financial and Lifeco) controls Portag3 Ventures Limited Partnership (“Portag3”), an investment fund dedicated to backing innovative financial services companies. As at September 30, 2018, Portag3 held a 23.6 per cent equity interest in Wealhsimple Financial Corp. (“Wealhsimple”), a technology-driven investment manager with assets under administration of \$3.2 billion at such date. In addition to the interest held indirectly through Portag3, as at September 30, 2018, Power Financial and IGM Financial also held, respectively, 14.7 per cent and 43.3 per cent equity interest in Wealhsimple.

On October 30, 2018, Portag3 announced the initial closing of Portag3 Ventures II LP, its second fintech venture fund focused on early stage investments in the global financial technology sector.

## **Power Energy Corporation**

Established in 2012, PEC is a wholly owned subsidiary that actively manages investments in the sustainable and renewable energy sector with the goal of building and owning, over the long term, companies that can generate growing and stable cash flows. PEC invests in companies that benefit from the global energy transformation and currently has invested in companies that develop, own and operate solar, hydro and wind generating assets in North America as well as leading manufacturers of sustainable technologies. Currently, investments are as follows: Potentia Renewables Inc., a renewable energy generating company active in North America and the Caribbean; Lumenpulse Group Inc., a leading manufacturer of high-performance, specification-grade LED lighting solutions; The Lion Electric Company, an innovative company manufacturing zero emission vehicles sold throughout North America; and Eagle Creek Renewable Energy, LLC (“Eagle Creek”).

In August 2018, PEC, through its indirect subsidiary Power Energy Eagle Creek LLP, entered into an agreement to dispose of its interest in Eagle Creek. The transaction is subject to regulatory approvals and other customary closing conditions and is expected to be concluded in the fourth quarter of 2018. In October 2018, PEC increased its investment in Lumenpulse Group Inc. from 55.7 per cent to 60.5 per cent.

## **Sagard Investment Funds**

The Corporation operates equity investment funds in three geographical regions under the Sagard name – Sagard Europe, Sagard Holdings (North America) and Sagard China. Each of the Sagard investment funds is managed locally by experienced professionals who have in-depth knowledge of the local public and private market.

Sagard Europe is managed by Sagard SAS, a wholly owned subsidiary of the Corporation based in France. Pargesa, GBL and third parties have also invested in Sagard Europe’s funds. Sagard Europe invests in mid-sized private companies based in France, Belgium, Luxembourg and Switzerland.

Sagard Holdings ULC (“Sagard Holdings”), a wholly owned investment vehicle of the Corporation which was launched in 2005, invests in the equity and debt capital of middle-market companies in the United States and Canada. As at September 30, 2018, Sagard Holdings held a 91.6 per cent interest in IntegraMed America Inc., a private healthcare services company. Sagard Holdings also held a 42.6 per cent equity interest and 50 per cent of the voting rights in Peak Achievement Athletics Inc., a manufacturer of sports equipment and apparel, at such date. Sagard Holdings launched Sagard Credit Partners LP in December 2017, a fund which provides credit capital directly to public and private middle-market companies across Canada and the United States. Third parties also invest in Sagard Credit Partners LP.

Power also invests as a Qualified Foreign Institutional Investor (QFII) in the Chinese “A” share market. In addition, the Corporation invests in Chinese companies listed on the Hong Kong Stock Exchange (“H” shares) and the Shenzhen or Shanghai Stock Exchange (“B” shares) as well as American Depositary Receipts (“ADR” shares). Collectively, the Chinese “A”, “B”, “H” and “ADR” share investment activities are referred to as Sagard China.

## **China AMC**

As at September 30, 2018, the Corporation and Mackenzie each directly held a 13.9 per cent interest in China Asset Management Co. Ltd. (“China AMC”). Founded in 1998 as one of the first fund management companies in China, China AMC has developed and maintained its position among the market leaders in the Chinese asset management industry.

## **DESCRIPTION OF DEBT SECURITIES**

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement.

The Debt Securities will be direct unsecured obligations of Power and will rank equally and rateably with all other unsecured and unsubordinated indebtedness of Power from time to time issued and outstanding.

The Debt Securities will be issued under one or more indentures between Power and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee (each, a “Trustee”), as supplemented and amended from time to time (each a “Trust Indenture” and, collectively, the “Trust Indentures”).

Each Prospectus Supplement will set forth the terms and other information with respect to the Debt Securities being offered thereby, including: (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities; (ii) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars); (iii) the percentage of the principal amount at which such Debt Securities will be issued; (iv) the date or dates on which such Debt Securities will mature; (v) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any); (vi) the dates on which such interest will be payable and the record dates for such payments; (vii) the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued; (viii) any redemption term or terms under which such Debt Securities may be defeased; (ix) whether such Debt Securities are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof; (x) any exchange or conversion terms; and (xi) any other specific terms.

Debt Securities may, at the option of Power, be issued in fully registered form, in bearer form or in “book-entry only” form. See “Book-Entry Only Securities”.

## **DESCRIPTION OF SHARE CAPITAL**

The authorized capital of Power consists of an unlimited number of First Preferred Shares, an unlimited number of Participating Preferred Shares and an unlimited number of Subordinate Voting Shares. As at November 9, 2018, there were 417,040,201 Subordinate Voting Shares and 48,854,772 Participating Preferred Shares issued and outstanding.

The First Preferred Shares of Power may be issued in one or more series with such rights, privileges, restrictions and conditions as the Board of Directors of Power designates. As at November 9, 2018, there were issued and outstanding 256,100 floating rate Cumulative Redeemable First Preferred Shares, 1986 Series, 6,000,000 5.60% Non-Cumulative First Preferred Shares, Series A, 8,000,000 5.35% Non-Cumulative First Preferred Shares, Series B, 6,000,000 5.80% Non-Cumulative First Preferred Shares, Series C, 10,000,000 5.00% Non-Cumulative First Preferred Shares, Series D, and 8,000,000 5.60% Non-Cumulative First Preferred Shares, Series G.

## **DESCRIPTION OF SUBORDINATE VOTING SHARES**

Each Subordinate Voting 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 holders of Subordinate Voting 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. Subject to the rights of holders of the Participating Preferred Shares and the First Preferred Shares, each Subordinate Voting Share entitles the holder to receive any dividend on such share and to participate equally with all other holders of Subordinate Voting Shares in the remaining property of the Corporation on dissolution or winding-up. Power may not, without approval of two-thirds of the holders of Subordinate Voting Shares, issue any Participating Preferred Shares unless Power contemporaneously with such issue offers to holders of Subordinate Voting Shares the right to acquire from Power pro rata to their holdings an aggregate number of Subordinate Voting Shares that is equal to eight and one-third times the number of Participating Preferred Shares proposed to be issued for a consideration per share that is equal to the stated capital amount per share for which the Participating Preferred Shares are to be issued. There are no conversion rights, special liquidation rights, pre-emptive rights or subscription rights attached to the Subordinate Voting Shares.

As at November 9, 2018, the Subordinate Voting Shares represented 46.0 per cent of the aggregate voting rights attached to Power's outstanding voting securities.

The Articles of Power do not contain any rights or provisions applicable to holders of Subordinate Voting Shares where a takeover bid is made for the Participating Preferred Shares.

## **DESCRIPTION OF FIRST PREFERRED SHARES**

The following sets forth certain general terms and provisions of the First Preferred Shares. The particular terms and provisions of a series of First Preferred Shares offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in such Prospectus Supplement. First Preferred Shares may be issued in fully registered form or in "book-entry only" form. See "Book-Entry Only Securities".

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. The following is a summary of certain provisions of the First Preferred Shares as a class.

## **Certain Provisions of the First Preferred Shares as a Class**

### ***Priority***

With respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation 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 Participating Preferred Shares, the Subordinate Voting Shares and any other shares ranking junior to the First Preferred Shares. On such a distribution, the rights of the holders of the First Preferred Shares of each series will be subject to the prior satisfaction of all claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the First Preferred Shares.

### ***Approval by First Preferred Shareholders***

In addition to any shareholder approvals required by applicable law, the approval of the holders of the First Preferred Shares, as a class, is required to delete, add to or vary any right, privilege, preference, restriction or condition attaching to the First Preferred Shares as a class.

### ***Voting Rights***

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

## **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

The following sets forth certain general terms and provisions of the Subscription Receipts. The particular terms and provisions of Subscription Receipts offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Subscription Receipts, will be described in such Prospectus Supplement.

Subscription Receipts may be offered separately or together with Debt Securities, Subordinate Voting Shares, or First Preferred Shares, as the case may be, and may be exchanged by the holders thereof for Debt Securities, Subordinate Voting Shares or First Preferred Shares upon the satisfaction of certain conditions. Subscription Receipts will be issued under a subscription receipt agreement between the Corporation and an escrow agent. The statements below relating to any subscription receipt agreement and the Subscription Receipts to be issued thereunder are summaries of certain anticipated provisions thereof, are not complete and are subject to, and qualified by reference to all provisions of the applicable Subscription Receipts. The applicable Prospectus Supplement will include details of the subscription receipt agreement with respect to the Subscription Receipts being offered. Reference is made to the applicable Prospectus Supplement which will accompany this Prospectus for the terms and other information with respect to the offering of Subscription Receipts being offered thereby.

The particular terms and provisions of each issue of Subscription Receipts providing for the issuance of Debt Securities, Subordinate Voting Shares, or First Preferred Shares on the exchange of Subscription Receipts will be described in the related Prospectus Supplement and may include the number of Subscription Receipts and the price at which they will be issued and whether the price is payable in instalments, any conditions to the exchange of Subscription Receipts into Debt Securities, Subordinate Voting Shares, or First Preferred Shares, as the case may be, and the consequences of such conditions not being satisfied, the procedures for the exchange of the Subscription Receipts into Debt Securities, Subordinate Voting Shares, or First Preferred Shares, as the case may be, the number of Debt Securities, Subordinate Voting Shares, or First Preferred Shares, as the case may be, that may be exchanged upon exercise of each Subscription Receipt, the dates or periods during which the Subscription Receipts may be exchanged into Debt Securities, Subordinate Voting Shares, or First Preferred Shares, as the case may be, whether such Subscription Receipts will be listed on any securities exchange, and any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts.

## **BOOK-ENTRY ONLY SECURITIES**

Securities issued in “book-entry only” form must be purchased, transferred or redeemed through participants (“CDS Participants”) in the depository service of CDS Clearing and Depository Services Inc. or a successor (collectively, “CDS”). Each of the underwriters, dealers or agents, as the case may be, named in an accompanying Prospectus Supplement will be a CDS Participant or will have arrangements with a CDS Participant. On the closing of a book-entry only offering, Power may cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from Power or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the registered dealer from which the Securities are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its CDS Participants having interests in the Securities. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

If Power determines, or CDS notifies Power in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and Power is unable to locate a qualified successor, or if Power at its option elects, or is required by law, to terminate the book-entry system, then the Securities will be issued in fully registered form to holders or their nominees.

### ***Transfer, Conversion or Redemption of Securities***

Transfer of ownership, conversion or redemption of Securities will be effected through records maintained by CDS or its nominee for such Securities with respect to interests of CDS Participants, and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities may do so only through CDS Participants.

The ability of a holder to pledge a Security or otherwise take action with respect to such holder’s interest in a Security (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

### ***Payments and Notices***

Payments of principal, redemption price, if any, dividends and interest, as applicable, on each Security will be made by Power to CDS or its nominee, as the case may be, as the registered holder of the Security and Power understands that such payments will be credited by CDS or its nominee in the appropriate amounts to the relevant CDS Participants. Payments to holders of Securities of amounts so credited will be the responsibility of the CDS Participants.

As long as CDS or its nominee is the registered holder of the Securities, CDS or its nominee, as the case may be, will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. In such circumstances, the responsibility and liability of Power in respect of notices or payments on the Securities is limited to giving or making payment of any principal, redemption price, if any, dividends and interest due on the Securities to CDS or its nominee.

Each holder must rely on the procedures of CDS and, if such holder is not a CDS Participant, on the procedures of the CDS Participant through which such holder owns its interest, to exercise any rights with respect to the Securities. Power understands that under existing policies of CDS and industry practices, if Power requests any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the CDS Participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by Power, any Trustee and CDS. Any holder that is not a CDS Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its CDS Participant to give such notice or take such action.

Power, the underwriters, dealers or agents and any Trustee identified in an accompanying Prospectus Supplement, as applicable, will not have any liability or responsibility for (i) records maintained by CDS relating to beneficial ownership interest in the Securities held by CDS or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interest; or (iii) any advice or representation made by or with respect to CDS and contained herein or in any Trust Indenture with respect to the rules and regulations of CDS or at the directions of the CDS Participants.

#### **EARNINGS COVERAGE RATIOS**

Earnings coverage ratios will be provided as required in the Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

#### **PLAN OF DISTRIBUTION**

Power may sell the Securities (i) through underwriters or dealers, (ii) directly to one or more purchasers pursuant to applicable statutory exemptions or (iii) through agents. The Securities may be sold at fixed prices or non-fixed prices, such as prices determined by reference to the prevailing price of the Securities in a specified market, at market prices prevailing at the time of sale or at prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities. The Prospectus Supplement for any of the Securities being offered thereby will set forth the terms of the offering of such Securities, including the type of security being offered, the name or names of any underwriters, dealers or agents, the purchase price of such Securities, the proceeds to Power from such sale, any underwriting discounts and other items constituting underwriters' compensation, any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents may be changed from time to time.

The Securities may also be sold directly by Power at such prices and upon such terms as agreed to by Power and the purchaser or through agents designated by Power from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by Power to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent is acting on a best efforts basis for the period of its appointment.

Power may agree to pay the underwriters a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission will be paid out of the general corporate funds of Power. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with Power to indemnification by Power against certain liabilities, including liabilities under securities legislation, or to contribution by Power with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time.

Unless otherwise specified in a Prospectus Supplement, the Securities will not be registered under the United States Securities Act of 1933, as amended.

### **RISK FACTORS**

Before deciding whether to invest in any Securities, investors should consider carefully the risks set out in the documents incorporated by reference in this Prospectus (including the risks described under “Risk Factors” of Power’s Annual Information Form dated March 28, 2018, and all subsequently filed documents incorporated by reference) and those described in a Prospectus Supplement relating to a specific offering of Securities.

### **USE OF PROCEEDS**

The use of proceeds of the sale of each series of Securities will be described in the Prospectus Supplement relating to the specific issuance of Securities.

### **ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES**

Christian Noyer and T. Timothy Ryan, Jr., two of Power’s directors, are resident outside of Canada. Both individuals, as named below, have appointed the following agent(s) for service of process:

| <b>Name of Individual Director</b> | <b>Name and Address of Agent</b>                                             |
|------------------------------------|------------------------------------------------------------------------------|
| Christian Noyer                    | Power Corporation of Canada<br>751 Victoria Square, Montréal, Québec H2Y 2J3 |
| T. Timothy Ryan, Jr.               | Power Corporation of Canada<br>751 Victoria Square, Montréal, Québec H2Y 2J3 |

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

### **LEGAL MATTERS**

Certain legal matters in connection with the Securities offered hereby will be passed upon by Blake, Cassels & Graydon LLP on behalf of the Corporation. As at the date hereof, the partners and associates of Blake, Cassels & Graydon LLP, as a group beneficially own, directly or indirectly, less than 1 per cent of the outstanding Securities of Power or any associated party or affiliate of Power.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The independent auditor of Power is Deloitte LLP, Chartered Professional Accountants, located at 1190 Avenue des Canadiens-de-Montréal, Suite 500, Montréal, Québec, H3B 0M7.

The registrar and transfer agent for Power is Computershare Investor Services Inc. at its principal offices in Montréal, Toronto and Vancouver.

## **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

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

## **CERTIFICATE OF POWER CORPORATION OF CANADA**

Dated: November 9, 2018

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as at the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

By: (signed) PAUL DESMARAIS, JR.  
Chairman and Co-Chief  
Executive Officer

By: (signed) ANDRÉ DESMARAIS  
Deputy Chairman, President  
and Co-Chief Executive Officer

By: (signed) GREGORY D. TRETIK  
Executive Vice-President and  
Chief Financial Officer

On behalf of the Board of Directors

By: (signed) ANTHONY R. GRAHAM  
Director

By: (signed) R. JEFFREY ORR  
Director