



CIRCULAR 165-19
December 13, 2019

ANTICIPATED CONTRACT ADJUSTMENT
Power Financial Corporation (PWF & FPF)
Plan of Arrangement

THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CDCC MEMBERS AND BOURSE APPROVED PARTICIPANTS MUST ENSURE THEY HAVE REVIEWED THE DOCUMENTATION PUBLISHED BY THE ISSUERS INVOLVED IN THIS CORPORATE ACTION.

The Bourse and CDCC wish to inform you that Power Corporation of Canada ("Power", "Power Corporation" or "PCC") (TSX: POW) and Power Financial Corporation ("Power Financial" or "PFC") (TSX: PWF) today announced the execution of a definitive agreement to effect a reorganization transaction (the "Reorganization") pursuant to which each common share of PFC ("PFC Common Shares" or "Power Financial Common Shares") held by holders of PFC Common Shares other than PCC and certain of its affiliates (the "PFC Minority Shareholders" or "Power Financial Minority Shareholders"), will be exchanged for 1.05 subordinate voting shares of PCC ("PCC Subordinate Voting Shares" or "Power Corporation Subordinate Voting Shares") and CAD \$0.01 in cash.

The Reorganization will be effected by way of a court-approved plan of arrangement under the *Canada Business Corporations Act*.

PCC and PFC expect the Reorganization to be completed in February 2020, subject to receipt of all required approvals.

PCC and PFC expect that the PFC Common Shares will be delisted from the TSX promptly following the completion of the Reorganization.

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.

For further information, please contact Market Operations Department at (514) 871-7877. Clearing members may contact the CDCC Corporate Operations Department.

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Financial Markets