

BORALEX

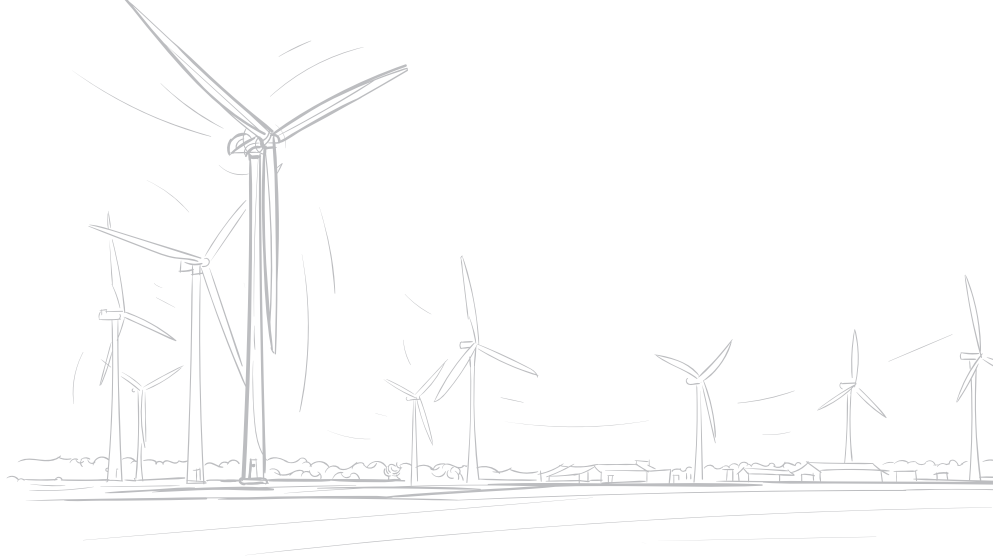


POWER TO DO MORE

ANNUAL
INFORMATION FORM
FOR THE YEAR ENDED
DECEMBER 31, 2018
February 28, 2019



PROFILE



Borex develops, builds and operates renewable energy power facilities in Canada, France, the United Kingdom and the United States. A leader in the Canadian market and France's largest independent producer of onshore wind power, the Corporation is recognized for its solid experience in optimizing its asset base in four power generation types - wind, hydroelectric, thermal and solar. Borex has ensured sustained growth by leveraging the expertise and diversification developed for more than 25 years.

General Information

HEAD OFFICE

Borex Inc.
36 Lajeunesse Street
Kingsey Falls (Québec)
Canada J0A 1B0
Telephone: 819-363-6363
Fax: 819-363-6399
communications@borex.com

WEBSITE

www.borex.com



@BorexInc

BUSINESS OFFICES

CANADA

900 de Maisonneuve Boulevard West
24th floor

Montréal, Québec
Canada H3A 0A8

Telephone: 514-284-9890
Fax: 514-284-9895

606-1155 Robson Street
Vancouver, British Columbia
Canada V6E 1B5
Telephone: 1-855-604-6403

201-174 Mill Street
Milton, Ontario
Canada L9T 1S2
Telephone:
819-363-6430 | 1-844-363-6430

UNITED STATES

39 Hudson Falls Street
South Glens Falls New York
12803
United States

Telephone: 518-747-0930
Fax: 518-747-2409

FRANCE

71, rue Jean-Jaurès
62 575 **Blendecques**
France
Telephone: 33 (0)3 21 88 07 27
Fax: 33 (0)3 21 88 93 92

8, rue Anatole France
59 000 **Lille**
France
Telephone: 33 (0)3 28 36 54 95
Fax: 33 (0)3 28 36 54 96

21, avenue Georges Pompidou
Le Danica - Bâtiment B
69 486 **Lyon** Cedex 03
France
Telephone: 33 (0)4 78 92 68 70
Fax: 33 (0)4 78 42 03 44

99, La Canebière
CS 60526
13 205 **Marseille** Cedex 01
France
Telephone: 33 (0)4 91 01 64 40
Fax: 33 (0)4 91 01 64 46

UNITED KINGDOM

52 Grosvenor Gardens
Terminal House, Room 501
London SW1W 0AU
United Kingdom
Telephone: 44 (0) 20 7596 1206

Table of Contents

1.	INFORMATION INCORPORATED BY REFERENCE	2
2.	NOTICE CONCERNING FORWARD-LOOKING STATEMENTS	2
3.	GENERAL.....	2
4.	CORPORATE STRUCTURE	2
5.	GENERAL DEVELOPMENT OF THE BUSINESS	3
6.	DESCRIPTION OF THE BUSINESS	9
7.	DIVIDEND POLICY	21
8.	CAPITAL STRUCTURE	22
9.	MARKET FOR SECURITIES	23
10.	DIRECTORS AND OFFICERS	24
11.	AUDIT COMMITTEE	25
12.	LEGAL PROCEEDINGS.....	27
13.	INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	27
14.	TRANSFER AGENT AND REGISTRAR	28
15.	MATERIAL CONTRACTS	28
16.	INTERESTS OF EXPERTS	31
17.	ADDITIONAL INFORMATION.....	31
	SCHEDULE "A" - AUDIT COMMITTEE CHARTER	32

1. Information incorporated by reference

The audited consolidated financial statements of Boralex Inc. (“Boralex” or the “Corporation”) for the year ended December 31, 2018 and the notes thereto as well as the related Management’s Discussion and Analysis of the operating results, cash flow and financial position are specifically incorporated herein by reference. Copies of these documents and other information about the Corporation may be obtained at www.sedar.com or www.boralex.com.

2. Notice concerning forward-looking statements

This Annual Information Form and the documents incorporated by reference herein contain forward-looking statements. Positive or negative verbs such as “will,” “would,” “forecast,” “anticipate,” “expect,” “plan,” “project,” “continue,” “intend,” “assess,” “estimate” or “believe,” or expressions such as “toward,” “about,” “approximately,” “to be of the opinion,” “potential” or similar words or the negative thereof or other comparable terminology, are used to identify such statements. In particular, this Annual Information Form and the documents incorporated by reference herein contain forward-looking statements with respect to business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results, the Corporation’s business model, the wind projects and other sources of renewable energy projects in the pipeline and their expected performance, the regulatory environment for wind farms and for other sources of renewable energy and the Corporation’s expected financial performance.

Forward-looking statements are based on certain key expectations and assumptions made by the Corporation, including expectations and assumptions concerning availability of capital resources, cost of financing, performance of operating facilities, regulatory approvals and licenses and the terms thereof, and the strength of market conditions.

Many factors could cause any of the Corporation’s actual results, performance or achievements to vary from those described in this Annual Information Form and the documents incorporated by reference herein, including without limitation, the general impact of economic conditions, currency fluctuations, volatility in the selling price of energy, the Corporation’s financing capacity, competition, changes in general market conditions, regulations governing the industry, raw material price increases and availability, litigation and other regulatory issues relating to ongoing projects or projects under development, as well as other factors described in the sections on risks factors and uncertainties which are contained in the Management’s Discussion & Analysis of Boralex for the year ended December 31, 2018. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this Annual Information Form and the documents incorporated by reference herein as intended, planned, anticipated, believed, sought, proposed, estimated, expected or targeted. Such forward-looking statements should therefore not be unduly relied upon. Forward-looking statements speak only as of the date of this Annual Information Form or as of the date specified in the documents incorporated by reference herein, as the case may be. Unless required to do so under applicable securities legislation, Boralex’s management does not assume any obligation to update or revise forward-looking statements to reflect new information, future events or other changes.

3. General

This Annual Information Form is dated February 28, 2019. All information contained in this Annual Information Form is as of December 31, 2018, unless otherwise specified. All references in this Annual Information Form to the symbol “\$” are to the Canadian dollar, unless otherwise specified.

4. Corporate structure

Name and incorporation of the Corporation

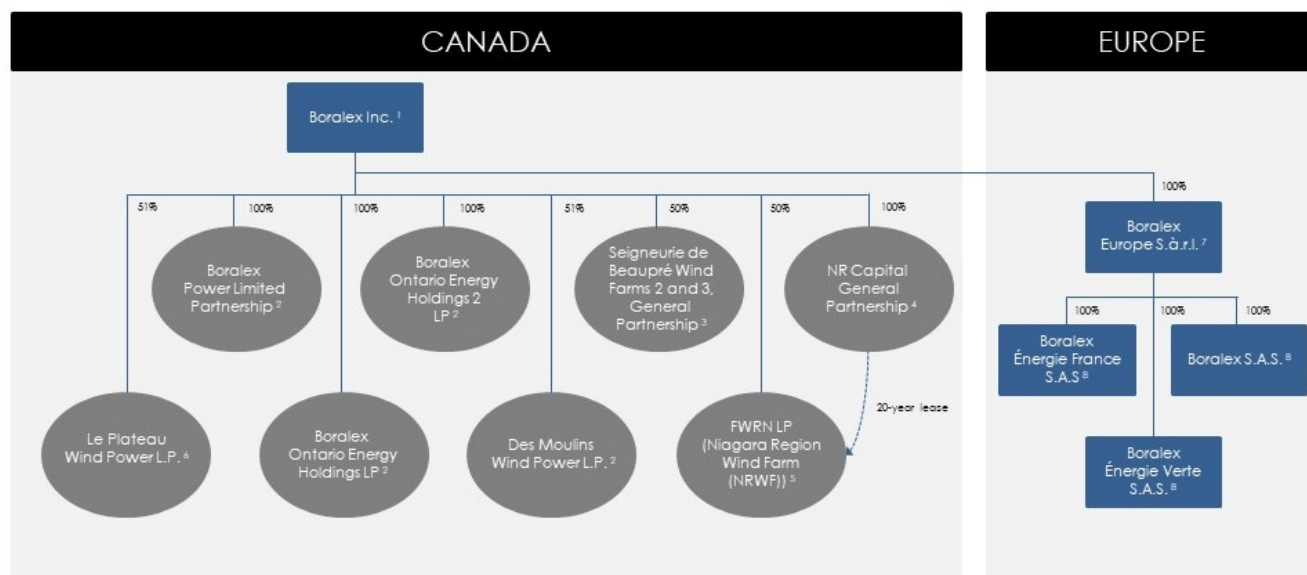
Boralex was incorporated on November 9, 1982 under the *Canada Business Corporations Act*. Certificates of Amendment were subsequently issued to the Corporation primarily in order to amend its authorized capital, its corporate name and the place of its registered office.

A Certificate of Amalgamation was issued to the Corporation on January 1, 2011 in connection with the amalgamation of the Corporation with two of its wholly-owned subsidiaries, Boralex Power Inc. and BPIF Holdings Inc.

The registered office of the Corporation is located at 36 Lajeunesse Street, Kingsey Falls, Québec, J0A 1B0. Boralex also has administrative offices located at 900 boulevard de Maisonneuve Ouest, Montréal, Québec, H3A 0A8.

Inter-corporate relationships

The following diagram sets out the direct and indirect principal subsidiaries of the Corporation. A significant proportion of the business of the Corporation is conducted through its subsidiary entities holding project assets.



(1) Jurisdiction of incorporation: Canada.

(2) Jurisdiction of incorporation: Québec.

(3) Jurisdiction of incorporation: Ontario.

(4) Jurisdiction of incorporation: Ontario. The infrastructure assets of the NRWF Project are owned by NR Capital General Partnership and leased to FWRN LP for 20 years.

(5) Jurisdiction of incorporation: Manitoba. FWRN LP is the entity operating the NRWF Project and which owns the intangible assets of the Project, including the FIT contract. See Sub-section "2017" in Section 5 for additional details.

(6) Jurisdiction of incorporation: Manitoba.

(7) Jurisdiction of incorporation: Luxembourg.

(8) Jurisdiction of incorporation: France.

5. General development of the business

Boralex is a power producer whose core business is dedicated to the development and operation of renewable energy power stations. As of the date of this Annual Information Form, the Corporation operates an asset base with an installed capacity of 2,303 MW, of which 1,942 MW are under its control, namely 939 MW in Canada, 921 MW in France and 82 MW in the northeastern United States. Boralex is also engaged in power projects under development representing more than 126 MW of additional power that will be commissioned by the end of 2020. Almost all of Boralex's operating assets and all the power plants under development are subject to long-term power purchase agreements providing for fixed and indexed prices. With over 410 employees, Boralex is known for its diversified expertise and in-depth experience in four power generation types — wind, hydroelectric, thermal and solar. Boralex's Class A common shares and convertible debentures are listed on the Toronto Stock Exchange (the "TSX") under the ticker symbol "BLX" and "BLX.DB.A", respectively.

Three-year history

2016

Plaintiffs instituted a class action because of the inconveniences (including noise, dust, vibrations) allegedly caused by the construction of the Seigneurie de Beaupré wind farms. Defendants Seigneurie de Beaupré Wind Farms 2 and 3 General Partnership, Seigneurie de Beaupré Wind Farm 4 GP and Éoliennes Côte-de-Beaupré S.E.C. have always been and are still of the opinion, with supporting expert reports, that the members of the group covered by the class action have suffered no abnormal annoyances as a result of the construction work. The Superior Court of Québec was scheduled to hear the case in April 2019. However, the parties entered into an agreement in principle, without any admission of liability, in connection with a settlement conference held in the fall of 2018. The hearing for the approval of the transaction will take place on April 11, 2019. The insurers will cover the costs associated with this transaction if it is approved.

On January 29, 2016, Boralex announced the closing of financing for the 14 MW Touvent wind farm and refinancing for the 34 MW Saint-Patrick wind farm for a total amount of \$89 million (€63 million) in France. The amount is financed by Crédit Industriel et Commercial (Groupe Crédit Mutuel) in collaboration with Desjardins. Long-term financing for the Touvent wind farms amounts to nearly \$29 million (€21 million), or 85% of the total investment. Amortized over a 15-year period, the loan bears interest at a rate of approximately 2.50% for the full term of the loan, 90% of which is covered by a forward rate agreement. Commissioning took place on August 1, 2016. Long-term refinancing of the Saint-Patrick wind farm, on the other hand, amounts to nearly \$60 million (€42 million). The wind farm was commissioned between July 2009 and February 2010. The refinancing was used in part to repay the balance of the loan then in place for the Saint-Patrick facility, i.e., \$42 million (€28 million). Boralex is thus in a position to reinvest some €10 million (net of unwinding costs and other fees) in new equity in its projects under development and support its growth initiatives. The loan is amortized over a 12-year period, i.e., the remaining term of the existing power purchase agreements for the Saint-Patrick facility, plus an additional period of three years, and will bear interest at a rate of approximately 2.40% (excluding unwinding costs) for the full term of the loan, 90% of which is covered by a forward rate agreement.

On February 24, 2016, Boralex announced a 7.7% increase of the annual dividend to \$0.56 per common share (or to \$0.14 per common share quarterly). On December 8, 2016, the Board of Directors of Boralex authorized a 7.1% increase of the annual dividend to \$0.60 per share (or to \$0.15 per share quarterly) concurrently with the NRWF acquisition. See Section 7, "Dividend policy" for additional information.

On March 9, 2016, Renewable Energy Systems Inc. ("RES"), as Qualified Applicant, and its partner, Boralex, were notified that they had been selected by the Independent Electricity System Operator (the "IESO") and awarded a 20-year LRP I Contract for a wind power project of installed capacity of 50 MW named "Otter Creek Wind Farm Project" in the competitive LRP I RFP process in Ontario. On July 16, 2018, the Corporation received notice from IESO of the unilateral termination of the power purchase agreement for the project. This termination resulted from a statement issued by the Ontario government on July 13, 2018 directing the IESO to terminate all power purchase agreements for renewable energy projects with a status not sufficiently advanced to allow them to be commissioned. In the second quarter of 2018, Boralex was required to recognize a \$4 million impairment loss on property, plant and equipment and intangible assets to write down the carrying amount of these assets to their recoverable amount.

On April 28, 2016, Boralex announced that it had closed the refinancing and increase of its corporate revolving credit facility in a total amount of \$360 million, comprising a \$300 million revolving credit facility and a \$60 million letter of credit facility guaranteed by Export Development Canada. This refinancing replaces the \$175 million revolving credit facility which was maturing in 2018. It is secured primarily by certain of Boralex's assets, including its hydroelectric power stations located in Québec. The refinancing has an initial term of four years and is renewable annually. This refinancing was arranged by National Bank of Canada as lead arranger. In addition to National Bank of Canada, the banking syndicate includes Toronto-Dominion Bank, Canadian Imperial Bank of Commerce, Caisse Centrale Desjardins, Bank of Montreal, Royal Bank of Canada, as well as Comerica Bank, a U.S. bank. See Sub-section "2017" in this Section 5 for additional information about the increase in Boralex's revolving credit facility in January 2017 in connection with the closing of the acquisition of NRWF.

On May 4, 2016, Boralex, Gaz Métro Limited Partnership (now known as Energir, L.P.) and Valener Inc. announced the closing of a \$618 million non-recourse refinancing for Seigneurie de Beaupré Wind Farms 2 and 3. The refinancing consists of: (i) a \$383 million uncovered tranche of the term loan expiring in December 2032, representing a \$132 million increase over the initial tranche and a one-year extension of the maturity date, (ii) a \$193 million covered tranche of the term loan expiring in December 2029, representing a \$45 million decrease and a two-year reduction of the maturity date of this tranche, which is covered by a guarantee pledged in favour of the lenders by the Federal Republic of Germany through its export credit agency, Euler-Hermes, and (iii) a \$41 million letter of credit facility. The group of lenders consists of Bank of Tokyo-Mitsubishi (UFJ), KfW IPEX-Bank, Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, AKA Bank, DZ Bank, Laurentian Bank of Canada, Commonwealth Bank of Australia and Crédit Industriel et Commercial. The refinancing allowed the partners to receive a \$80 million repayment of principal (including \$40 million for Boralex) in the second quarter of 2016.

On May 11, 2016, after reporting the best quarterly performance of its history, Boralex announced two new wind power projects in Canada, namely Port Ryerse in Ontario and Moose Lake in British Columbia. The 10 MW Port Ryerse project has a 20-year power purchase contract with the IESO. It was commissioned on December 9, 2016. The 15 MW Moose Lake project has a 40-year contract with the British Columbia Hydro and Power Authority ("BC Hydro"). Its construction began in August 2016 and will require investments of approximately \$61 million. Its commissioning is slated for the first half of 2019.

On June 23, 2016, Boralex announced the closing of financing for the Plateau de Savernat and Avignonet II wind farms for a total amount of \$29 million (€21 million) in France. The amount is financed by Crédit Industriel et Commercial (Groupe Crédit Mutuel). Financing for the Plateau de Savernat wind farm amounts to \$25 million (€18 million), which is about 80% of the total investment. Amortized over a 15-year period, the loan will bear interest at a rate of approximately 2.3% for the full term of the loan. Boralex announced the commissioning of the first phase of this project on December 23, 2016 (see below in this Section 5). Long-term financing for the Avignonet II wind farm amounts to nearly \$4 million (€3 million). The Avignonet II wind farm was commissioned in 2008 and had not been financed to date. The loan will be amortized over a 9.5-year period, or the remaining term of the power purchase agreements in effect for the Avignonet II facility plus an additional period of two years, and will bear interest at a rate of 1.72% for the full term of the loan.

On September 8, 2016, Boralex announced that it had been selected as a partner of the Innu Nation to develop the 200 MW Apuiat wind farm project located on public land in the municipality of Port-Cartier in Québec's Côte-Nord region. To implement this major project, Boralex announced that it will partner with RES in order to draw on their respective experience and expertise in the development, design and construction of renewable energy projects. The parties began public consultations in October 2016. This process helps to inform the community and key stakeholders and understand their interests to be considered in the development of the wind farm project. These consultations, prior to the start, will improve the project by increasing the knowledge of the region and its use and taking into account feedback from stakeholders at an early stage of development. However, the new Québec government that was elected on October 1, 2018, has decided to put the Apuiat wind farm project on hold for as long as Hydro-Québec has surplus electricity.

On September 16, 2016, Boralex announced that it had acquired a portfolio of wind power projects of approximately 200 MW of total installed capacity located in France and in Scotland as well as land for the construction of wind farms, for a total cash consideration of \$104 million (€70 million). The transaction covers the following portfolio of projects: (i) a 51 MW project in Brittany, France, the construction of which began in November 2016 before being interrupted in July 2017 following cancellation of the construction permits for the project by the Administrative Tribunal of Rennes (see Section 12 for additional information), (ii) a 24 MW project in Scotland at an advanced stage of development, and (iii) 126 MW of projects in Scotland at preliminary stages of development. It also announced that it was discussing with BNP Paribas regarding a bridge loan of nearly \$64 million (€46 million), bearing interest at a variable rate of 0.84% as of December 31, 2017. On November 18, 2016, the Corporation closed the BNP bridge loan financing, which expires in December 2018. A first tranche in the amount of \$24 million (€17 million) was drawn on November 29, 2016, and a second tranche of \$40 million (€29 million) was drawn on December 23, 2016. On November 15, 2018, Boralex extended its bridge loan financing with BNP Paribas S.A., until May 18, 2019 for the first tranche and until November 18, 2019 for the second tranche. The first tranche was subsequently repaid on January 7, 2019 following the sale of the underlying asset (*Groupement forestier des bois de l'avenir*).

On October 25, 2016, Boralex announced the closing of financing for the Mont de Bagny (24 MW), the Artois (23 MW) and the Voie des Monts (10 MW) wind farms in France for a total amount of \$142 million (€100 million), including €11 million in financing for a value added tax drawback. The financing was provided by Crédit Industriel et Commercial (Groupe Crédit Mutuel) and BPI France Financement. The financing consists of a 9-year, €52 million tranche at a fixed rate and a 15-year, €37 million tranche at a variable rate. The Mont de Bagny and Voie des Monts wind farms were commissioned on August 1, 2017 and July 10, 2017 respectively and the Artois wind farm was commissioned on November 21, 2017.

On December 8, 2016, Boralex announced that it had entered into binding agreements with Enercon to acquire all of its economic interest in the 230 MW NRWF project in Ontario. On January 18, 2017, Boralex closed the acquisition of Enercon's interest in the NRWF project. See Sub-section "2017" in this Section 5 for additional information.

On December 15, 2016, Boralex announced that it had set up the Alberta Renewable Power Limited Partnership, a joint venture created with Alberta Wind Energy Corporation to leverage the mutual expertise of both parties in the development of wind and solar projects in Alberta. As at December 31, 2018, Boralex owned 55.17% of the Alberta Renewable Power Limited Partnership.

On December 16, 2016, Boralex announced that it had closed a \$74 million long-term loan financing for its 16 MW Yellow Falls hydroelectric project. The Yellow Falls project is located on the Mattagami River in Yellow Falls near the town of Smooth Rock Falls, Ontario, Canada. The financing consists of a short-term tranche of \$9 million which is fully amortized over 10 years and a long-term tranche of \$65 million which will begin amortizing over 29 years after the repayment of the shorter tranche. Once the plant is commissioned, it will operate under a 40-year power purchase agreement with the IESO (which includes four renewal options, each for a five-year period, at Boralex's discretion). On October 3, 2018, the Corporation provided IESO with all the required documentation in order for the plant to be deemed commissioned under the power purchase agreement. It is currently engaged in the final stages of the commissioning process. The Corporation anticipates that the commissioning of the plant will occur in the first half of 2019.

On December 23, 2016, Boralex announced the commercial commissioning of the first phase of the Plateau de Savernat wind power project located in the Auvergne-Rhône-Alpes Region on the communes of Lamaids, Quinssaines (Montluçon urban community) and Saint-Martinien (Pays d'Huriel community of communes). The project comprises six wind turbines with a total installed capacity of 12 MW. A further two wind turbines completed the wind farm in March 2017 in a second phase of construction, bringing installed capacity to 16 MW. The project is covered by a 15-year power purchase agreement with EDF.

2017

On January 18, 2017, Boralex announced that it had closed the acquisition of all of Enercon's economic interest in the NRWF project for an aggregate amount of \$233 million, subject to certain purchase price adjustments. The NRWF project extends across the Regional Municipality of Niagara, the Township of West Lincoln, the Town of Wainfleet and Haldimand County in the Province of Ontario and was commissioned on November 2, 2016. It generates 230 MW and is comprised of 77 Enercon E-101 turbines.

Boralex's participation in the NRWF project gives rights to substantially all of the expected net cash flows from the project over the term of the FIT contract with the IESO. The NRWF project was developed by Enercon and Boralex in partnership with the Six Nations of the Grand River (the "Six Nations"). The project equity ownership was structured to provide (i) each of 9710612 Canada Limited ("Six Nations Corp."), a wholly-owned subsidiary of the Six Nations, and Boralex, with a 50% equity stake in FWRN LP, which owns the intangible assets of the project, including the FIT contract, and (ii) Boralex with a 100% equity stake in NR Capital General Partnership ("Leasing GP"), which owns the infrastructure assets and leases them to FWRN LP. Six Nations Corp.'s equity investment in FWRN LP has been financed through a non-recourse loan from Enercon assumed by a subsidiary of Boralex concurrently with the acquisition of the NRWF project. This loan will be repaid, with interest, from Six Nations Corp.'s share of FWRN LP's distributions throughout the 20-year term of the FIT contract. As such, Boralex's participation in the Project gives rights to substantially all of the expected net cash flows from the project over the term of the FIT contract. Upon expiration of the 20-year lease among Leasing GP and FWRN LP, the infrastructure assets are expected to revert back to FWRN LP pursuant to FWRN LP's option to purchase said infrastructure assets for a price of one dollar.

The NRWF project benefits from (i) a 20-year FIT contract with the IESO, which provides a predictable and recurring revenue, and (ii) senior project financing totalling \$826 million from a club of international financial institutions. The acquisition of Enercon's economic interest in the NRWF project added 230 MW of clean energy to Boralex's wind farm portfolio, and currently represents Boralex's largest asset.

To finance the acquisition of the NRWF project, Boralex increased its revolving credit facility by \$100 million to \$400 million (excluding the \$60 million letter of credit facility) and, on December 23, 2016, closed a public offering of 10,361,500 subscription receipts at a price of \$16.65 each for a total of \$173 million. The subscription receipts were converted into 10,361,500 Class A shares of Boralex when the acquisition of the NRWF project closed, on January 18, 2017. The offering was completed on a bought deal basis through a syndicate of underwriters led by National Bank Financial Inc. and RBC Capital Markets.

On January 30, 2017, Boralex announced the commercial commissioning, effective December 9, 2016, of the Port Ryerse wind farm located on privately-owned lands east of the hamlet of Port Ryerse in Norfolk County, Ontario. Representing an investment of approximately \$37 million, the project includes 4 turbines, with an installed capacity of 10 MW, and is endowed with a 20-year power purchase agreement with the IESO. On February 7, 2017, Boralex acquired the 25% interest of UDI Renewables Corporation in Port Ryerse Wind Farm Limited Partnership, making Boralex the sole owner of the project. On February 22, 2017, Boralex announced the closing of a \$33 million long-term financing for the Port Ryerse wind farm, provided by the DZ Bank AG Deutsche Zentral-Genossenschaftsbank (New York Branch). The financing consists of a \$2 million letter of credit facility and a long-term tranche of \$31 million. The latter will be amortized over an 18-year period at an interest rate of 3.89%.

On March 14, 2017, Boralex announced the addition of the Corporation to the S&P/TSX Composite Index, considered to be one of the leading benchmark indices in the Canadian equity market.

On July 27, 2017, Boralex announced that Caisse de dépôt et placement du Québec (the "Caisse") had acquired all of the Class A common shares of Boralex held by Cascades Inc., representing 17.3% of the outstanding shares, for the amount of \$288 million, becoming the Corporation's principal shareholder. As of December 31, 2018, the Caisse held 19.9% of the Class A common shares of the Corporation. Concurrently with that transaction, Boralex and the Caisse entered into an investor rights agreement pursuant to which the Caisse may, among other things, appoint two independent directors to Boralex's Board of Directors and will have pre-emptive rights with respect to future share issuances, subject to customary exceptions. As part of the transaction, the Corporation and the Caisse have agreed to explore partnership opportunities with respect to investing in future projects developed by Boralex that are in line with its growth strategy. See Section 15, "Material Contracts" for additional information.

On July 31, 2017, Boralex announced the closing of a financing of \$68 million (€46 million) for the Chemin de Grès wind farm in France's Nord department. The long-term financing of the 30 MW wind farm located in the communes of Viesly and Saint-Python is provided by a syndicate of lenders led by Crédit Industriel et Commercial, which is also acting as arranger, agent, lender and hedge bank, Bpifrance Financement, as lender, and Arkea Banque Entreprise et Institutionnels, as hedge bank. The financing comprises, among other things, tax-free long-term financing of \$59 million (€40 million) and VAT credit financing of \$9 million (€6 million). In light of the interest rate hedging arrangements put in place, the €40 million loan will bear interest at an average rate of around 2.11%. It will be amortized over a 15-year period. The commissioning of the Chemin de Grès wind farm project took place on December 6, 2017.

On August 7, 2017, Boralex announced the commercial commissioning of the Voie des Monts wind power project on July 10, 2017 (10 MW) and the Mont de Bagny wind power project on August 1, 2017 (24 MW), located respectively in the Aisne department and the Nord department, in France.

On October 17, 2017, Boralex announced the execution of a 50-50 joint venture agreement with UK-based Infinergy aimed at developing a pipeline of onshore wind projects essentially located in Scotland for a total estimated capacity of 325 MW. The joint venture comprises a pipeline of 10 wind projects varying from 4 to 80 MW and will allow Boralex to acquire or resell the projects over the coming years. The projects are at different stages of development, from early stage to being on the verge of full authorization.

On November 24, 2017, Boralex announced the closing of a \$53 million financing for the 15 MW Moose Lake wind farm, located in the Peace Region, northwest of Tumbler Ridge, British Columbia. The long-term financing of the Moose Lake wind farm is provided by KfW IPEX-Bank GmbH. The financing consists of a \$2 million letter of credit facility and a long-term tranche of \$51 million at an all-in interest rate of 4.88%. A portion of the long-term tranche's interest rate has been fixed through an interest rate hedging arrangement. Being one of the first financings in the Canadian wind power market having such feature, the long-term tranche will be fully amortized over a period of 25 years beginning on the commercial commissioning of the project, which is planned for the first half of 2019. The Moose Lake project is covered by a 40-year electricity purchase agreement with BC Hydro.

On December 15, 2017, Boralex announced the commercial commissioning, effective since November 21, 2017, of the Artois wind farm (23 MW) and the commercial commissioning, effective since December 6, 2017, of the Chemin de Grès wind farm (30 MW), in the French departments of Aisne and Nord, respectively.

The initial term of the Ocean Falls hydroelectric station power supply agreement expired on June 30, 2016 and has since been extended by the parties three times for additional one-year periods until June 30, 2019, in order to continue negotiations for its renewal. As at the date hereof, negotiations between the Corporation and BC Hydro to renew the contract by mutual agreement are still ongoing.

On December 22, 2017, Boralex closed a credit facility covering the Inter Deux Bos (33 MW), Côteaux du Blaiseron (26 MW), Le Pelon (10 MW), Hauts de Comble (20 MW) and Sources de l'Ancre (23 MW) wind farms in France for a total of \$235 million (€156 million), including an amount of \$30 million (€20 million) as bridge financing of the value added tax. The financing was provided by Crédit Industriel et Commercial, Auxifip, Caisse Régionale de Crédit Agricole Mutuel Nord de France and BPI France Financement. The financing consists of a \$164 million (€109 million) tranche at a fixed-rate which is amortized over 15 years and a \$41 million (€27 million) tranche at a variable rate which is amortized over 15 years. The combined interest rate is approximately 2.60%.

2018

On March 29, 2018, Boralex announced that the maturity of its \$460 million revolving credit facility had been extended one year to April 27, 2022 and that an accordion clause had been added which could allow Boralex to have access to an additional amount of \$100 million under the same terms and conditions.

The same day, Boralex confirmed a total joint investment of \$200 million in the Corporation by the Caisse and Fonds de solidarité FTQ (the "Fonds") by way of an unsecured subordinated loan with a term of ten (10) years. The investment was made by the Caisse via its subsidiary CDPO Revenu Fixe Inc. which invested an amount of \$170 million, to which was added an investment of \$30 million by the Fonds. This investment of \$200 million ("Tranche A") could, under certain conditions, be increased by an amount of \$100 million ("Tranche B"), which is available for a period of 12 months from the closing date. If Tranche B is drawn, it will be under the same terms and conditions applicable to Tranche A, with the only difference being the interest rate which will reflect the interest rate curve at the moment of disbursement. Tranche B was drawn on July 24, 2018 in connection with the acquisition of Kallista. Tranche A will bear interest at a competitive market rate, payable semi-annually. Under the loan agreement, no capital is repayable until maturity on March 29, 2028.

On May 8, 2018, the Board of Directors of the Corporation authorized a dividend increase of 5% on an annualized basis, namely from \$0.60 to \$0.63 per common share. A quarterly dividend increased from \$0.15 to \$0.1575 per common share was paid on June 15, 2018.

On June 20, 2018, Boralex announced the closing of the transaction to acquire all the outstanding shares of Kallista Energy Investment SAS ("Kallista") for a total cash consideration of \$121 million (€78 million) and the assumption of \$171 million (€111 million) of project debt. The Corporation also repaid a \$78 million (€51 million) due to a non-controlling shareholder granted by Ardian Infrastructure to Kallista and an \$8 million (€6 million) loan for a total of \$86 million (€56 million). The portfolio of acquired projects consists of 163 MW of wind power projects in operation with a weighted average remaining life of 8 years under contract, a 10 MW ready-to-build project and a portfolio of projects under development totalling 158 MW. The cash-only consideration was drawn down under Boralex's existing revolving credit facility. In order to finance this acquisition over the longer term, Boralex used the \$100 million available under Tranche B of the subordinated credit facility put in place on March 29, 2018. Pursuant to a passport application for exemptive relief made by the Corporation in accordance with National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions, the Corporation received exemptive relief dated June 13, 2018 from or on behalf of each of the securities regulatory authorities in the provinces of Canada, which relief provides the Corporation with an exemption from the requirement to file a business acquisition report in accordance with Form 51-102F4.

On June 20, 2018, Boralex also announced that it had entered into binding agreements with affiliates of Invenergy Renewables LLC ("Invenergy") to acquire all of its economic interests in five wind farms in Québec (201 MW) for a total cash consideration of \$216 million, subject to adjustments under the acquisition agreements. Located in the RCM of Avignon and the RCM of Appalaches in Eastern Québec, the projects were commissioned between March 2012 and December 2016 and comprise Enercon and GE turbines. The projects benefit from long-term power purchase agreements with Hydro-Québec Distribution expiring between 2032 and 2041.

The projects covered by this acquisition are the Des Moulins I (136 MW), Des Moulins II (21 MW) and Le Plateau I (139 MW) wind farm projects, each 49% indirectly held by the Caisse, and Le Plateau II (21 MW) and Roncevaux (75 MW), 40.04% and 50% held by local partners respectively.

To finance this acquisition, Boralex entered into an agreement with National Bank Financial Inc. and RBC Capital Markets, on behalf of a syndicate of underwriters, to issue and sell, on a bought deal basis, subscription receipts (or Class A shares of Boralex). The agreement includes the issuance of 8,911,000 subscription receipts at a price of \$20.20 each for gross proceeds of \$180 million and up to \$207 million in the event the underwriters exercise their over-allotment option. Boralex also entered into a subscription agreement with the Caisse pursuant to which the Caisse acquired, on a private placement basis, 2,228,000 subscription receipts at a price of \$20.20 per private placement subscription receipt, for aggregate gross proceeds of \$45 million and up to \$52.76 million in the event the Caisse exercises its private placement option to acquire additional private placement subscription receipts concurrently with, and pro rata to, the exercise of the over-allotment option by the underwriters.

On July 11, 2018, Boralex announced that it had closed the public offering of subscription receipts for gross proceeds of approximately \$207 million, which includes the full exercise of the over-allotment option by the underwriters. Boralex also announced the closing of the concurrent private placement of subscription receipts of Boralex to the Caisse for gross proceeds of approximately \$52 million, which includes the full exercise of the private placement option by the Caisse. The aggregate net proceeds of the public offering and the private placement were used by Boralex to pay the purchase price payable in respect of the acquisition of Invenergy's interests in five wind farms in Québec in the amount of \$216 million. The balance from the exercise of the over-allotment option and the private placement option was used to repay indebtedness under the revolving credit facility and for the Corporation's general working capital purposes.

On August 22, 2018, the Corporation and its Innu Nation partners announced that they had come to an agreement following negotiations with Hydro-Québec regarding the 200 MW Apuiat wind farm project. The negotiations resulted in a draft power purchase agreement. In order to comply with each party's respective governance rules and in view of the upcoming provincial election, it was agreed to put the final steps leading to the approval and signature of the power purchase agreement on hold. This version of the power purchase agreement was to be submitted to the respective boards of directors after the provincial election. The new Québec government that was elected on October 1, 2018, has decided to put the Apuiat wind farm project on hold for as long as Hydro-Québec has surplus electricity.

On September 6, 2018, Boralex announced that its two projects submitted in June 2018 in the onshore wind power request for proposals in France had been selected, for a total of 49 MW. In addition to the 14 MW Santerre wind power project in the French department of the Somme, Boralex was awarded the 35 MW repowering of the Cham Longe wind farm in the French department of the Ardèche.

On September 14, 2018, Boralex announced that it had closed the acquisition of all of the economic interests of Invenergy in 5 wind farms in Québec for a total cash consideration of \$216 million, subject to post-closing adjustments to the purchase price under the acquisition agreements. At the same time, Boralex became the new manager of the sites by assuming the facilities management agreements currently in place and as such will manage the day-to-day business and affairs of the projects. With the closing of the acquisition, each subscription receipt issued under the public offering to the underwriters and the private placement to the Caisse was exchanged for one Class A common share of Boralex. In connection with this acquisition, on November 23, 2018 the Corporation filed a business acquisition report in accordance with Form 51-102F4.

In light of the signing of the agreements for the acquisition of the interests of Invenergy in five wind farms in Québec on June 20, 2018, the Board of Directors of Boralex authorized, provided the transaction closed, a 4.8% increase in the annual dividend, from \$0.63 to \$0.66 per share (or an increase in the quarterly dividend, from \$0.1575 to \$0.1650 per share). This second increase took effect on September 14, 2018. A quarterly dividend of \$0.1575 per common share was declared and paid on September 18, 2018 to shareholders of record at the close of markets on August 31, 2018.

On November 6, 2018, Boralex announced the commercial commissioning of the Inter Deux Bos (33 MW) wind farm in the Pas-de-Calais department, France. The wind farm is covered by a 15-year indexed power purchase agreement with EDF, effective September 24, 2018.

On December 6, 2018, Boralex announced the commercial commissioning of the Noyers Bucamps (10 MW), Hauts de Comble (20 MW) and Côteaux du Blaiseron (26 MW) wind farms, all in Northeastern France. The Noyers Bucamps, Hauts de Comble and Côteaux du Blaiseron wind farms are covered by a 15-year indexed power purchase agreement with EDF, effective on November 1, 5 and 9, 2018 respectively.

On December 12, 2018, Boralex announced the appointment of Bruno Guilmette as Vice President and Chief Financial Officer as of January 14, 2019. He succeeds Jean-François Thibodeau, who will retire at the end of March 2019.

On January 30, 2019, the Corporation announced the commercial commissioning of the Sources de l'Ancre (23 MW) and Le Pelon (10 MW) wind farms, respectively located in the Somme and Deux Sèvres departments, France. Both wind farms are covered by a 15-year power purchase agreement with EDF. Due to administrative restrictions, the power purchase agreements came into force on January 1, 2019, even though the power stations were operational as at December 31, 2018 and are thus considered to have been commissioned in 2018.

6. Description of the business

Principal Financial Information

	IFRS		Combined ⁽⁴⁾	
	2018	2017	2018	2017
In millions of dollars, unless otherwise specified				
INSTALLED CAPACITY (MW)	1,942	1,456	1,942	1,456
POWER PRODUCTION (GWh)	3,415	3,129	4,152	3,675
Wind power stations	2,581	2,204	3,318	2,750
Hydroelectric power stations	648	729	648	729
Thermal power stations	166	173	166	173
Solar power stations	20	23	20	23
FINANCIAL HIGHLIGHTS				
Revenues from energy sales	471	414	549	473
Wind power stations	385	315	463	374
Hydroelectric power stations	49	65	49	65
Thermal power stations	31	28	31	28
Solar power stations	6	6	6	6
EBITDA (A)⁽¹⁾	298	276	354	319
Wind power stations	310	261	363	301
Hydroelectric power stations	33	49	33	49
Thermal power stations	7	8	7	8
Solar power stations	5	4	5	4
Corporate and eliminations	(57)	(46)	(54)	(43)
Net earnings (loss)	(44)	10	(44)	10
Net earnings (loss) attributable to shareholders of Boralex	(36)	22	(36)	22
Net earnings (loss) per share (basic and diluted) attributable to shareholders of Boralex (in dollars)	(0.45)	0.29	(0.45)	0.29
Net cash flows related to operating activities	202	145	235	162
Cash flows from operations⁽²⁾	192	195	208	210
FINANCIAL POSITION				
Total assets	4,746	3,926	5,404	4,288
Borrowings ⁽³⁾	3,271	2,642	3,855	2,954

⁽¹⁾ EBITDA(A) corresponds to earnings before interest, taxes, depreciation and amortization, adjusted to include other items such as acquisition costs, net loss on financial instruments and foreign exchange gains. This measure is not a measure in conformity with International Financial Reporting Standards ("IFRS") and does not have a standardized meaning prescribed by IFRS; however, management uses this performance indicator to assess and compare the performance of its various assets. Refer to the annual audited financial statements of Boralex for the year ended December 31, 2018 and the related MD&A, incorporated herein by reference, for additional information related to the use of non-IFRS measures.

⁽²⁾ Cash flows from operations correspond to net cash flows related to operating activities before changes in non-cash items related to operating activities. This measure is not a measure in conformity with IFRS and does not have a standardized meaning prescribed by IFRS. Refer to the annual audited financial statements of Boralex for the year ended December 31, 2018 and the related MD&A, incorporated herein by reference, for additional information related to the use of non-IFRS measures.

⁽³⁾ Including non-current debt and current portion of debt.

⁽⁴⁾ The combined information ("Combined") presented above results from the combination of the financial information of the Corporation under IFRS and that relating to the share of the *Interests*. The *Interests* represent significant investments by Boralex and although IFRS does not permit the consolidation of their financial information within that of Boralex, management considers that information on a Combined basis is useful data to evaluate the performance of the Corporation. In order to prepare the Combined information, Boralex first prepared its financial statements and those of the *Interests* in accordance with IFRS. Then, the *Interests in the Joint Ventures and associates*, *Share in earnings (losses) of the Joint Ventures and associates* and *Distributions received from the Joint Ventures and associates* line items were replaced by Boralex's respective share (ranging from 50% to 59.96%) in the financial statement items of the *Interests* (revenues, expenses, assets, liabilities, etc.). We refer you to the *Non-IFRS measures* section of the MD&A for the year ended December 31, 2018 for more information. It is important to note that the calculation method described here is identical to the method that was used as at December 31, 2017 and previously to establish the data identified as *Proportionate Consolidation* in previous MD&As.

Independent power generation

Canadian power industry

Under the Canadian Constitution, the generation of electricity through the exploitation of natural resources falls mainly under the jurisdiction of the provinces and territories. Consequently, the power industry in Canada is structured according to provincial models. In most provinces, the industry is very integrated, with the production, transportation and distribution being provided in large part by a few large and dominant public service providers. Although some public service providers are private, for the most part they are Crown Corporations.

Since the late 1980's, many provinces, notably British Columbia, Alberta, Ontario, Québec, Nova Scotia and Newfoundland, began to look for new capacity from independent power producers. These arrangements are usually structured as long-term power purchase agreements according to prescribed tariffs or determined by call for tenders permitting independent power producers to obtain a determined cash flow that takes into consideration the projected long term value of the capacity and power for the public service provider.

Although, to this date, the quantity of power produced in Canada by independent power producers who sell it to public service providers is relatively small, during the last few years, planners of power demand have recognized the advantages of independent power projects.

In July 2015, the premiers of the Canadian provinces and territories officially approved the Canadian Energy Strategy (the "Canadian Strategy"), which leads the way in shaping sustainable development of Canada's energy future. The Canadian Strategy comprises several objectives, including maintaining the highest degree of environmental preservation and protection, in particular by taking climate change into account and reducing overall greenhouse gas emissions by supporting the development of renewable, green and/or cleaner energy sources to meet future demand and contribute to environmental goals and priorities.

In addition, Canada's National Statement, delivered on November 30, 2015, in Paris at the COP21 (21st Conference of the Parties on Climate Change), is along the same lines as the Canadian Strategy, in particular owing to Canada's willingness to support energy efficiency, clean electricity and transport.

Lastly, on June 29, 2016, the Prime Minister of Canada, the President of the United States and the President of Mexico jointly announced the goal for North America to achieve 50% clean power generation by 2025 through clean energy development and deployment, clean energy innovation and energy efficiency.

Québec power industry

Overview

Historically, the electric power generation industry has been monopolized by large regulated utilities. Environmental concerns, rapid growth in electricity demand, increasing electricity rates, technological advances and other concerns prompted government policies to encourage the supply of electricity from independent power producers.

In anticipation of a significant increase in demand for electricity generated in Québec, the Québec government, through Hydro-Québec, began seeking capacity from independent power producers in the early 1990's and committed to a number of long-term agreements to buy electricity from third parties, typically under the terms of a power purchase agreement. Hydro-Québec, a Québec Crown Corporation, is one of the largest electric utilities in North America. Under its incorporating statute, Hydro-Québec is given broad powers to generate, supply and deliver electric power throughout Québec. Hydro-Québec was mandated to purchase all the electric power produced by independent power producers in Québec. In July 2001, the *Régie de l'Énergie* of Québec (the "Régie") approved a call for tenders and contract award procedure as well as a code of ethics on conducting calls for tenders presented to Hydro-Québec.

Regulatory framework

Since December 1996, the Régie has provided a regulatory framework for energy distribution. As a result, electricity rates in Québec are subject to its approval. Hydro-Québec's transmission and distribution activities are subject to the conventional form of regulation based on the cost of service for those activities. As for power generation, the *Act respecting the Régie de l'énergie* states that the Québec government shall dictate the initial conditions for establishing supply rates, which represent the energy portion of the customer's bill.

An *Act to amend the Act respecting the Régie de l'énergie and other legislative provisions* was adopted in June 2000. This Act modifies the Régie's jurisdiction in regards to electric power rates, introduces more competition into the electricity market, makes the Régie's mode of operation more flexible and broadens its sources of funding. It establishes the procedure for setting the rates and conditions applicable to the transmission and distribution of electric power.

The *Act respecting the Régie de l'énergie* was also amended on April 21, 2015, in order to suspend the implementation of any mechanism allowing the Régie to distribute performance shortfalls until the budget is balanced, and to provide that Hydro-Québec will retain any performance shortfalls determined by the Régie, who can no longer use such shortfalls to set or modify the rates for a subsequent rate year. The same Act was also amended to ensure that the electric power

supply is reserved for the needs of Québec markets. Lastly, certain provisions of the *Act respecting the Régie de l'énergie* were amended through the adoption of *An Act to implement the 2030 Energy Policy and to amend various legislative provisions* ("Bill 2030") in December 2016.

In May 2006, the Government of Québec adopted a new Québec Energy Strategy (the "Strategy") defining goals and actions for the period from 2006 to 2015. Through the Strategy, the Government decided to resume and accelerate the pace of development of Québec's hydroelectric potential, with the implementation of new projects totalling 4,500 MW. In addition, the Government's energy Strategy contemplated the development of the existing wind power potential which may be incorporated into the Hydro-Québec network, with an objective of 4,000 MW by 2015. The Strategy was implemented by amending laws and regulations then in force. The cost of electric power over and above the "heritage electricity pool" (approximately 165 TWh) was determined by way of call for tenders governed by a procedure and a code of ethics subject to the Régie's approval. The Régie also monitors compliance. Under the terms of these calls for tenders, the supply contracts were awarded on the basis of the lowest tendered price and such other factors as the applicable transmission costs, and more recently, the participation of the local communities to the projects. The supply contracts entered into by Hydro-Québec require prior approval of the Régie. In 2003, Hydro-Québec issued a request for proposals for the supply of 1,000 MW of wind energy, followed by another request for 2,000 MW in 2005 and a supplementary request of 500 MW in 2009. In May 2013, the Québec Government announced the allocation of 800 MW of new wind power projects, of which 150 MW were reserved for the aboriginal communities of the Mi'gmaŋewi Mawioŋi group pursuant to Bill 25 assented to on June 14, 2013 and 200 MW were reserved for Hydro-Québec Production. The remaining 450 MW were awarded by way of call for tenders to entities formed by developments in partnerships with local communities and first nations, divided as follows: 300 MW for projects based in Gaspésie and Bas-Saint-Laurent and 150 MW for Québec as a whole. Lastly, on December 21, 2015, the Québec Government awarded the remaining 200 MW of the Strategy to the Innu First Nations. By doing so, the Québec Government completed its commitments under the Strategy and awarded a total of 4,000 MW of wind energy to independent promoters. The new Québec government elected on October 1, 2018, has decided to put the Apuiat wind farm project on hold for as long as Hydro-Québec has surplus electricity.

After consulting stakeholders, the Québec government decided to adopt an energy policy applicable until 2030 and enacted Bill 2030, which implemented the *2030 Energy Policy* (the "Policy"), which seeks to (i) favour a low-carbon economy, (ii) optimally develop Québec's energy resources, (iii) foster responsible consumption, (iv) capitalize on energy efficiency potential, and (v) promote the entire technological and social innovation chain. Through the Policy, the Québec government has adopted as targets increasing total bioenergy production by 25%; by 2030, the Québec government wants 60.9% of the energy used by Québec consumers to be renewable energy. To achieve its renewable energy targets, the Québec government undertakes to mobilize individuals and businesses to achieve genuine change, increase its investments in renewable energies and rely on the strength of partnership through sustained participation at home and abroad.

Through the Policy, the Québec government proposed to set up a new agency, *Transition énergétique Québec* ("TéQ"), mandated to present an oversight and delivery model with respect to energy innovation, energy efficiency and energy substitution. TéQ coordinates through a single administration the services and programs that government departments and bodies offer and is responsible for all components of the energy transition. To ensure that government initiatives achieve greater coherence and efficiency, a master plan is now elaborated and replaces the individual department plans. Stemming from a vast public consultation and collaboration between the major energy distributors, government departments and bodies and TéQ, the 2018-2023 Energy Transition, Innovation and Efficiency Master Plan was made public in June 2018. It presents 15 roadmaps and measures that will allow Québec to increase its energy efficiency by 5% to reach a global target of 15% in 2030 and to reduce its dependence on petroleum products by 1% per year until 2023. TéQ's master plan recognizes the contribution of renewable energies as a key solution in the energy transition to considerably reduce greenhouse gas emissions. It is important to note that the measures proposed in the master plan are aimed at all energy consumers, big and small, be it citizens, businesses, institutions and municipalities.

In the Policy, to better respond to the economic, social and environmental challenges facing consumers, producers and energy distributors, the Québec government is proposing to (i) introduce greater flexibility and proactivity in the rate-setting rules stipulated in the *Act respecting the Régie de l'énergie*, and (ii) modernize the process for authorizing energy projects.

The Policy also provides that new sources of supply will be authorized insofar as they allow for the maintenance of leeway of around 2.5% of Québec's total annual electricity needs. With respect to wind energy, the Québec government intends to support Québec businesses so that they can take advantage of the opening of new markets stemming from growing worldwide demand for wind power. The Québec government's perspective of wind power development is in keeping with this context and it hopes that certain wind farms built in Québec can respond to business opportunities and export all of their electricity to North American markets.

In June 2017, the Québec government announced an action plan for 2017-2020 resulting from its 2030 Energy Policy. An investment of \$1.5 billion is planned to achieve Québec's energy transition goals based on 4 key directions.

Hydroelectric and wind power

Each of the hydroelectric and wind power plants that the Corporation operates in Québec supplies electricity to Hydro-Québec under the terms of power purchase agreements (or supply agreements) entered into with Hydro-Québec (“PPA”) for an initial duration varying between 20 to 25 years. Under each PPA, Hydro-Québec is bound to buy all the electrical energy made available by the power plant from its commissioning up to the annual contractual energy levels. The power plant, for its part, must supply a certain quantity of energy for each consecutive 12-month period beginning on the 1st of December of each contractual year.

The purchase price is determined by the pricing schedule that the hydroelectric power producer subscribes to among the following:

- a) the unified pricing schedule, which provides for a unique tariff for the energy supplied yearlong; and
- b) the winter power premium pricing schedule which provides for a baseline tariff per kWh supplied yearlong plus a premium for winter power per kW supplied in the winter up to the annual contractual energy levels.

The purchase price of the wind energy is set according to the PPA for the energy made available throughout the year. In the case of most of the hydroelectric power plants, the purchase price of the electricity is indexed on the 1st of December or the 1st of January of each year according to the Consumer Price Index (“CPI”), usually subject to a minimum increase of 3% and a maximum increase of 6% per year. Under PPAs entered into with respect to wind energy, there is no minimum or maximum increase. The price is usually indexed to the CPI in a certain proportion. In most cases, the PPA of a hydroelectric power plant can be renewed by a prior written notice of 12 months to Hydro-Québec for a period not exceeding the term of the initial agreement.

As far as the Corporation is concerned, the initial term of the PPAs for the Beauport and Forestville power stations expired in May and June 2015, respectively, and the Corporation sent automatic renewal notices to Hydro-Québec in order to renew them for an additional 20-year term. Following these notices, the Corporation and Hydro-Québec entered into negotiations concerning certain terms and conditions applicable during the renewal period. In December 2016, Boralex and Hydro-Québec signed the PPA renewal agreements, under which a new fixed price has been determined and indexation is in line with the CPI.

Pursuant to the *Watercourses Act* (Québec), hydroelectric power plants are subject to a royalty payable to the *Ministère des Ressources naturelles du Québec*. This royalty is indexed annually according to the CPI.

The Québec government also recently adopted Québec Water Strategy 2017-2032. One of the main goals of the strategy is to showcase the potential for sustainable development of Québec’s water sector.

British Columbia power industry

Regulatory framework

British Columbia’s hydroelectric projects generate approximately 90% of the province’s electricity requirements. The principal supplier of power in British Columbia is the provincial Crown Corporation, BC Hydro. The latter is regulated by the British Columbia Utilities Commission (the “BCUC”). The BCUC is an independent regulatory agency which operates under the *Utilities Commission Act* (British Columbia). The primary purpose of the BCUC is the regulation of the province’s natural gas and electricity utilities. In mid-2018, the BC NDP government announced a comprehensive, two-phase review of BC Hydro. Phase I is intended to identify cost savings, efficiencies, new revenue streams and other changes to control electricity rate increases (the current NDP government ran on an election promise to keep electricity rates low). The second phase of the review will establish an expert panel to provide recommendations to help position BC Hydro to maximize opportunities flowing from shifts taking place in the global and regional energy sectors, technological changes and climate action. The second phase will be based on the NDP government’s strategies including an energy roadmap for the future and a new climate action strategy.

Since the 1980’s, BC Hydro has been acquiring power from independent power producers (“IPPs”) in order to satisfy British Columbia’s electricity needs. In order to acquire electricity from the private sector, primarily IPPs, BC Hydro employs either competitive calls, standards or open offers, or bilateral arrangements. BC Hydro recently imposed a moratorium on new independent power projects pending the outcome of the government’s comprehensive review of BC Hydro. This includes suspension of BC Hydro’s standing offer program.

Energy policy

In 2002, the British Columbia government launched the *Energy for Our Future: A Plan for BC* which outlined low electricity rates, secure and reliable supply of energy, more private sector opportunities and environmental responsibility with no nuclear power sources. The *BC Energy Plan: A Vision for Clean Energy Leadership* was introduced five years after the initial plan and aims to promote clean energy by providing, among other things, that all new electricity generation projects have zero net greenhouse gas emissions.

In 2010, the Legislative Assembly of British Columbia passed the *Clean Energy Act* which establishes the province's energy objectives. These objectives include: (i) generating at least 93% of the electricity in British Columbia from clean or renewable resources (other than electricity for facilities that liquefy natural gas for export by ship), (ii) achieving electricity self-sufficiency by 2016 and (iii) reducing greenhouse gas emissions. This law also explicitly prohibits certain electricity generation projects on certain streams.

In November 2013, BC Hydro released its Integrated Resource Plan (the "IRP"), which calls for a number of measures to meet the expected increase in electricity demand, including the construction of the 1,100 MW hydroelectric Site-C facility (the "Site-C"). The construction of the Site-C commenced in the summer of 2015 and is expected to be completed by 2024. The IRP provides a 20-year outlook of how BC Hydro expects to reliably and cost-effectively meet the anticipated future electricity needs of the province through conservation and acquisition of sufficient generation and transmission resources. In 2016, BC Hydro reviewed the IRP and updated its 20-year demand forecast and expected supply. BC Hydro determined that British Columbia had sufficient supply and there was no need for calls for new supply before BC Hydro commenced development of its next IRP. BC Hydro's next IRP is expected to address long term conservation savings; afford a better understanding of the role of distributed energy resources such as wind, solar and storage; and address clean energy's role in tackling climate change and implementing the Province's Climate Leadership Plan.

BC issued its Climate Leadership Plan in 2016 (an update to its 2008 Climate Action Plan), which articulated the policies and actions necessary to meet the Province's 2050 greenhouse gas emissions reduction target of 80% below 2007 levels. BC's new NDP government issued a further updated and more ambitious long-term climate action plan, called CleanBC, in December 2018 which, among other things, requires that all new buildings be "net-zero energy ready" by 2032 and that all new cars sold be zero-emission by 2040. The CleanBC plan was developed to facilitate the achievement of the province's legislated climate targets of reducing GHG emissions by 40% by the year 2030 based on 2007 levels.

Ontario power industry

Regulatory framework

The regulatory framework for a competitive electricity market in Ontario was created in 1998 with the enactment of the *Energy Competition Act, 1998*. In 2004, a further round of industry restructuring occurred with the enactment of the *Electricity Restructuring Act, 2004*. The resulting market structure is generally referred to as a "hybrid" model, comprising a competitive wholesale energy market and government procured and regulated supply components. The price of electricity paid by consumers consists of the cost of the electricity determined through the wholesale market plus the "Global Adjustment". The Global Adjustment reflects out-of-market payments made to Ontario Power Generation ("OPG"), whose output is rate-regulated by the Ontario Energy Board (the "OEB"), and to generators and other electricity resource suppliers (e.g., conservation and demand management suppliers) under contract with the IESO. The wholesale energy market is operated by the IESO, which is also responsible for the operation and the reliability of the power system. The energy trades in the wholesale market are settled at market price, determined for five-minute dispatch intervals on the basis of offers by the generators and bids from dispatchable load facilities. The market price is uniform across Ontario and it determines what the generators are paid for wholesale electricity. The consumers are charged the weighted hourly average of the five-minute market price. The Global Adjustment, referenced above, compensates generators under contract with the IESO for the difference between the IESO market price and the price set out in their contract.

The OEB is the administrative tribunal responsible for the regulation and supervision of the electricity and natural gas industries in Ontario. The OEB exercises its powers pursuant to the *Ontario Energy Board Act, 1998* and the *Electricity Act, 1998*. It determines the rates charged by the regulated transporters and distributors and those charged by the OPG for most of its production. The OEB also grants licences to market participants (including transmitters, distributors, generators and marketers/retailers and the IESO), approves the construction of new transmission and distribution facilities, and formulates codes and rules to govern the conduct of market participants. THE OEB's Market Surveillance Panel monitors the electricity market and submits reports on the efficiency of these markets to the Minister of Energy. The OEB is also intended to serve as an appeal tribunal for certain decisions of the IESO.

On January 1, 2015, the Ontario Power Authority (the "OPA") and the IESO completed their amalgamation and continued operating as the IESO. Prior to the merger, the OPA was responsible for integrated electricity system planning and, in accordance with the government directive, entering into agreements to procure new conservation and supply resources. As the OPA's successor, the IESO is therefore now responsible for electricity system planning and is the counterparty to a portfolio of long-term power purchase and other agreements of the OPA with generators and other resource suppliers, as well as procurement contracts more recently entered into by the IESO.

Since 2004, the contracted supply was mostly procured by the OPA using competitive procurement procedures. The OPA later instituted standing offer procurement programs and, in 2008, a European style *feed-in-tariff* ("FIT") program for the purchase of renewable energy generation. The Ontario government announced in June 2013 that it would no longer procure renewable energy capacity under the FIT program for large projects. Instead, Ontario put in place the Large Renewable Procurement (the "LRP"), a competitive process for procuring large renewable energy projects (generally greater than 500 kW). The first phase of the LRP request for proposals (the "LRP I RFP") was launched in 2014. In March 2016, after the conclusion of the LRP I RFP, the IESO awarded contracts for approximately 300 MW of wind, 140 MW of solar, and 15 MW of waterpower generation. In September 2016, the IESO cancelled plans for LRP II, under which the IESO had planned to procure up to an additional 1,000 MW of solar, wind and other renewable energy generation.

There have been significant changes to electricity policy in the last year and further changes are anticipated. This is in large part due to the election of the Ontario Progressive Conservative government in mid-2018. The Conservative government has repealed the *Green Energy Act*, and has cancelled hundreds of pre-construction renewable energy contracts. It has also halted further procurement initiatives, has eliminated the provincial cap and trade program and is challenging the federal government's proposed carbon tax. The government has also committed to reducing consumers' electricity bills by 12% or more, possibly through reforms to the Global Adjustment, including by shifting a portion of the Global Adjustment to the provincial tax base. The Conservative government has endorsed the IESO's Market Renewal Program, which is aimed at substantially reviving the wholesale market by, among other things, developing an incremental capacity market; developing a day-ahead market; and introducing locational marginal pricing. The IESO plans to start implementing its Market Renewal Program initiatives at the beginning of 2021.

France power industry

Regulatory framework

In France, electric power generation was nationalized in 1946 with the creation of a public corporation, EDF, which held a virtually nationwide monopoly for the generation, transmission, distribution and sale of electricity, apart for some exceptions (non-nationalized distributors or NND). In connection with the application of the Treaty of Rome (1957), which established the European Union (the "EU"), the Council of Ministers of the European Union approved, in 1996, *Directive 96/92/CE* intended to abolish national monopolies for the generation and sale of electricity and gas and to develop a European electricity market such that, with time, all consumers would be able to choose their supplier. *Directive 96/92/CE* was transposed into French law by the *Law 2000-108 of February 10, 2000 relating to the modernization and development of the public electricity service* (as amended by the *Law 2003-8 of January 3, 2003 relating to the gas and electricity markets and the public energy service*). In 2003, *Directive 2003/54/CE* provided for the opening of the market to competition in two phases: on July 1, 2004 for non-residential customers and on July 1, 2007 for residential customers. *Directive 2003/54/CE* was transposed into French law by the *Law of August 9, 2004 relating to the public electricity and gas service* and by the *Law of December 7, 2006 relating to the energy sector*.

Since the 2007 decision of the European Council to establish an "Integrated Energy and Climate Policy", the EU has become a relevant actor in this policy field. On April 23, 2009, the EU agreed on climate and energy targets for 2020 including a target of 20% of European energy consumption to come from renewable sources. The *European Directive 2009/28/EC* on the promotion of the use of energy from renewable sources sets out the basis for the achievement of that target by setting individually binding renewable energy targets for all member states. These are now collectively known as "The Climate and Energy Package" or the "20-20-20" goals (greenhouse gas emissions reduction by 20% compared to the 1991 level, increase to 20% the share of renewable energies and improvement by 20% energy efficiency).

On October 23, 2014, EU Council members agreed on renewable energy new targets for 2030 through the "*Climate and Energy Policy Framework for the European Union*" with the following main EU objectives:

1. 40% reduction of greenhouse gas emissions compared to the 1990 level;
2. EU-wide binding target of at least 27% for the share of renewable energy consumed.

On December 24, 2018, the EU implemented a new directive from the European Parliament and the European Council relating to the promotion of the use of energy from renewable sources (the "RES Directive"). The RES Directive sets a binding renewable energy target for the EU for 2030 of 32%. The European States must present an action plan that is compatible with the common goal and that the European Commission will analyze in 2019. Among other things, the RES Directive requires member States to provide for a three- to five-year schedule for organizing tendering procedures (eligible technologies, indicative timing updated on an annual basis, frequency of tendering procedures, expected capacity, budget and maximum unitary support). In addition, the RES Directive allows member States to limit tendering procedures to specific technologies, prohibits the retroactive application of support measures to renewable energies and provides for a three-year maximum authorization process (two-year maximum in the case of a repowering). Finally, member States must facilitate the uptake of renewable power purchase agreements.

In France, renewable energy production is expected to double by 2030 (32% of final energy consumption), thanks to a reform in the French incentive system, to hydropower concession renewals and tenders. Additionally, France aims to simplify the regulatory framework for renewable energy projects. It has also achieved its goal of 15 GW of installed on-shore wind power at the end of 2018. New goals for 2023 and 2028 will have to be validated in 2019 in connection with the revised multi-year energy program presented by the Government on January 25, 2019. For on-shore wind power, a goal of 24.1 GW in 2023 and between 34.1 and 35.6 GW in 2028 is proposed. For solar energy, a goal of 20.6 GW in 2023 and between 35.6 and 44.5 GW in 2028 is proposed. For offshore wind power, a goal of 2.4 GW in 2023 and between 4.7 and 5.2 GW in 2028 is proposed.

Growth in the development of renewable electricity in France is the result of national policy drivers including two main support schemes. Firstly, a FIT mechanism is in place, backed by a purchase obligation which provides support for energy from wind power, solar power, hydro power, biomass and geothermal sources, among other technologies. The pricing of the FIT and the duration over which these are paid for the different technologies are set by Government decrees and

orders. Secondly, a call for tenders system exists for large renewable energy projects, i.e. more than 7 turbines for wind power and 250 kW or more for solar photovoltaic power.

Since July 1st, 2014, under the impetus of the European Commission and following the publication of the Guidelines on State aid for environmental protection and energy 2014-2020 (2014/C 200/01), the French systems for the support of new power generation projects based on renewable energies have gradually moved away from the current FIT system towards a market based type of support. In addition to the power purchase obligation, reserved for "residential" sized facilities, the law relating to energy transition towards green growth (*loi n° 2015-992 du 17 août 2015 relative à la transition énergétique pour la croissance verte*) provides a compensation mechanism for industrial facilities whereby producers selling electricity from renewable sources on the market at market prices would receive additional remuneration to help them achieve a target price. However, existing projects under the current support scheme will continue to operate within these arrangements for the remainder of the defined period to avoid any retrospective change and destabilising effects.

For land-based wind energy, the tariff structure (set by the *Arrêté du 17 juin 2014 fixant les conditions d'achat de l'électricité produite par les installations utilisant l'énergie mécanique du vent implantées à terre*) was replaced on December 13, 2016 by the additional remuneration mechanism. Since 2017, new projects with up to 6 machines can take advantage of this new mechanism under an "open window" program, with a criterion on maximum height expected to be added in 2019. Over that threshold, applicants can take advantage of the additional remuneration mechanism through calls for tenders held twice a year over three-year periods. The most recent round of bids closed in June 2018.

For solar energy, a system of competitive bids held twice a year over three-year periods has been implemented to allow new land-based projects to take advantage of the additional remuneration mechanism. The most recent round of bids closed in December 2018.

Concurrently, driven by the EU, the first multi-energy (mix of wind and solar) pilot call for tenders was launched and awarded only to solar projects in September 2018. Following the new RES Directive, the Ministère de la Transition écologique et solidaire does not wish to pursue such calls for tenders.

United States power industry

Regulatory framework

The Federal Energy Regulatory Commission ("FERC") regulates the transmission of electricity, and the wholesale sale of electricity, in interstate commerce. The FERC also licenses and inspects hydroelectric projects, including projects on navigable waters or that affect downstream navigation, which are regulated under Part I of the *Federal Power Act* ("FPA").

The FERC is also responsible for the implementation of the *Public Utility Regulatory Policies Act of 1978* ("PURPA"), which was enacted in response to concerns that the United States was too dependent on foreign oil. PURPA provides for the supply of electricity to utilities by qualifying facilities ("QFs"). QFs include (a) cogeneration facilities that meet certain operating, efficiency and use of the energy production standards, and (b) facilities that produce electric energy by using specific fuel sources, including renewable resources as a primary energy source and that meet certain fuel use and maximum size criteria. QFs benefit from rules adopted by the FERC that require electric utilities to offer to sell electric energy to (including emergency backup power), and to purchase electric energy from, QFs at rates that are fair and reasonable to consumers and do not discriminate against QFs. QFs also are exempt from certain federal and state laws and regulations governing traditional electric utilities. PURPA increased competition in the U.S. wholesale power industry by creating a new class of non-utility power plant owners and operators.

The *United States Energy Policy Act of 1992* ("EPACT 1992") further transformed the wholesale interstate electricity supply market. EPACT 1992 broadened the authority of the FERC to issue orders requiring electric utilities to provide open access transmission or "wheeling" services to all qualified power generators and wholesale power marketers. EPACT 1992 also created a new category of independent power producers, known as "exempt wholesale generators".

The wholesale electricity market was significantly restructured in the 1990's. In 1996, the FERC issued Order 888, requiring jurisdictional utilities to functionally unbundle their transmission and generation businesses and provide open-access, non-discriminatory transmission service under an open access transmission tariff. In 2003, the FERC issued Order 2003, which standardized and streamlined the generator interconnection process by requiring all utilities under its jurisdiction that own or control transmission facilities to adopt standard interconnection procedures and a standard *pro forma* interconnection agreement governing the interconnection of "large generators" (generators greater than 20 MW in size). In 2005, the FERC issued Order 2006, which required the adoption of similar standard interconnection procedures and a similar *pro forma* interconnection agreement for "small generators" (generators smaller than 20 MW in size). The FERC ordered further reforms to its "large" generator interconnection procedures to enhance the interconnection process with the issuance of Order No. 845 in April 2018. Order 845 also proposes revisions to the *pro forma* interconnection agreement to explicitly include electric storage resources as a generating facility reducing potential barrier to large electric storage facilities with a generating facility capacity above 20 MW that wish to interconnect pursuant to the terms of the *pro forma* interconnection agreement. The final implementation of this order remains stayed pending the FERC's review of arguments raised by several parties on rehearing of its April 2018 order.

In 2007, the FERC issued Order 890 which expanded non-discriminatory access to electric transmission systems by, among other things, requiring open and transparent regional transmission planning, a uniform methodology for calculating available transmission capacity, and the provision of “conditional” firm transmission service. In 2011, the FERC issued Order 1000 which further reformed its electric transmission planning and cost allocation rules for electric utilities that own and operate transmission facilities. As a result of these and related orders, procedures for interconnecting with, and utilizing transmission capacity on, electric transmission systems have been largely standardized, with transmission-owning utilities performing a type of regulated, common carrier service.

Between 1996 and 2002, many states required their vertically integrated electric utilities to divest some or all of their generation assets, leaving such utilities to purchase power in competitive wholesale markets, while allowing retail customers to transact directly with power suppliers in certain states. The combination of open access transmission services and increasing numbers of non-traditional utility power generators (independent power producers) has led to the formation of organized markets operated by regional transmission organizations (“RTOs”) and independent system operators (“ISOs”) including, for example, the *New York Independent System Operator, Inc.* (“NYISO”), the ISO for the region in which the Corporation’s hydroelectric power plants are located. These ISOs/RTOs operate regional transmission systems and administer financial and physical markets for competitive wholesale energy, capacity and other ancillary services. Along with reducing the barriers to large electric storage resource interconnection in Order No. 845, the FERC has also taken recent steps to enhance the ability of both large and small (100 kw or greater) energy storage resources to participate in the ISO/RTO competitive markets. In February 2018, the FERC issued Order No. 841, which required ISO/RTOs to establish market rules to allow energy storage resources to fully participate in wholesale capacity, energy, and ancillary services in wholesale markets in a manner that accounts for the unique physical operational characteristics of such resources. In December 2018, each RTO/ISO proposed revisions to their respective market rules to implement Order No. 841’s requirements, and these revised market rules will go into effect by December 2019.

In August 2005, the United States Congress enacted the *Energy Policy Act of 2005* (“EPACT 2005”). EPACT 2005 repealed the *Public Utility Holding Company Act of 1935* and in its place adopted the *Public Utility Holding Company Act of 2005* (“PUHCA 2005”), which grants FERC access to the books and records of certain public utility holding and service companies, and imposes accounting, record retention and other reporting requirements on such holding companies. FERC’s regulations implementing EPACT 2005 also eliminated certain exemptions from federal regulations for QFs that are greater than 20 MW in size and terminated an electric utility’s obligation to purchase electric energy from a QF that is greater than 20 MW in size and has non-discriminatory access to certain competitive wholesale markets, such as the markets operated by NYISO. EPACT 2005 also gave the FERC enhanced enforcement authority, including criminal and civil penalties, for violations of the FPA.

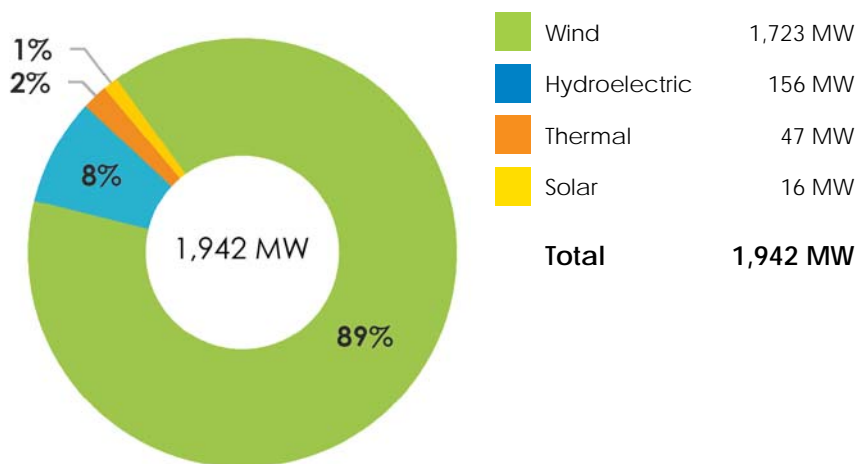
New York State

The implementation of PURPA in 1978 also initiated the transformation of electricity generation in New York State from vertically integrated electric utilities to predominantly non-utility power generators. The *New York Public Service Commission* also regulates the retail sales and distribution of electricity, and has jurisdiction over retail electric tariffs.

In January 2019, Governor Andrew Cuomo announced New York’s “Green New Deal,” which calls for a mandate of 100 percent clean electricity in New York State by 2040. To achieve this mandate, the Governor Cuomo proposes to increase New York’s existing Clean Energy Standard mandate to 70% renewable electricity by 2030, and increase New York’s targets for the development of offshore wind (9,000 MW by 2035), distributed solar (6,000 MW by 2025), and energy storage resources (3,000 MW by 2030). Governor Cuomo is also calling for the development of a public-private partnership to raise at least \$1 billion of private capital to support the Green New Deal. The Green new Deal’s 100 percent clean energy mandate will be included as part of Governor Cuomo’s state budget, and is subject to approval by the State Legislature.

Industry sectors

Boralex is active in four industry sectors: wind, hydroelectric, wood residue thermal or natural gas cogeneration and solar. Each of the industry sectors includes power stations or facilities owned by subsidiaries, the whole as described below. The following diagram illustrates the distribution of the installed capacity of Boralex's sites by activity sector.



Wind power

Energy is produced from the wind power exerted on the blades of the propeller of a wind turbine, which then activates a generator which produces electricity. Wind turbines owned or operated by Boralex are equipped with a central control system which optimizes electrical production and maintains it during unfavourable climatic conditions.

Hydroelectric power

Hydroelectric power is produced using water to propel the turbines which in turn drive the alternators.

The Corporation owns 15 hydroelectric power stations which are flexible and environmentally friendly power generation tools, since they are run-of-river facilities with almost no greenhouse gas emissions. These hydroelectric stations are located in the Provinces of Québec and British Columbia and in the United States.

Boralex operates and manages these stations from a control centre located in Kingsey Falls, Québec, Canada, allowing remote management of most planning, operating, monitoring and preventive maintenance activities relating to stations held or managed by the Corporation.

Thermal power

Thermal energy is the process of transforming elements of physical chemistry, such as wood residue or natural gas, into thermal power through controlled combustion. In order to do this, the combustible material (wood residue or natural gas) is inserted into a boiler. The combustion is controlled based on the required quantity and the temperature of the air. The vapour that is produced in the boiler is then injected into a turbine, where the energy which it releases is transferred into mechanical energy. The mechanical energy produced by the turbine is then transformed into electricity by the generator.

Cogeneration refers to the simultaneous production of two sources of energy, electricity and steam, using only one fuel. The cogeneration technology is a development and efficiency tool ideally suited to industrial consumers. From an environmental standpoint, natural gas powered cogeneration is less harmful than technologies using other fossil fuels.

Boralex currently operates one wood residue thermal power station in Québec and one cogeneration power plant powered by natural gas in Blendecques (France).

Solar power

Solar power consists of producing energy from sunlight. In Boralex's case, photovoltaic technology is used in which photovoltaic cells composing the panels produce electricity. Boralex operates two solar power stations located in France and one in Ontario.

Description of the facilities of the Corporation

Wind power stations

Power Station	Location	PPA Maturity	Installed Capacity (MW)
Ally-Mercoeur	France	2020	39
Artois	France	2032	23
Avignonet-Lauragais Phase I	France	n.a.	8
Avignonet-Lauragais Phase II	France	2023	5
Bassigny	France	2024	12
Bougainville	France	2020	12
Calmont	France	2030	14
Cham Longe	France	2020-2025	23
Chasse-Marée	France	2025	9
Chemin de Grès	France	2032	30
Chépy	France	n.a.	4
Clérimois	France	2026	8
Coat Conval	France	2023	8
Comes de l'Arce	France	2030	10
Côteaux du Blaiseron	France	2033	26
Coulonges	France	2026	36
Evits et Josaphats	France	2021	12
Fond de la Plaine	France	2022	4
Fortel-Bonnières	France	2029	23
Haut de Conge	France	2025	28
Hauts de Comble	France	2033	20
Inter Deux Bos	France	2033	33
La Bouleste	France	2025	10
La Citadelle	France	2022	14
La Vallée	France	2028	32
Le Grand Camp	France	2025	10
Le Pelon	France	2033	10
Leign ar Gasprenn	France	2023-2024	8
Les Éparmons	France	2023	12
Les Moulins de Boulay	France	2022	10
Maurienne/Gourgançon	France	2022	12
Monts de Bagny	France	2032	24
Morlange	France	2031	10
Moulin à vent	France	2026	10
Nibas	France	2019	12
Noyers Bucamps	France	2033	10
Pannecé	France	2024-2025	18
Plaine de Beaunay	France	2032	12
Plateau de Langres	France	2024	12
Pays d'Othe	France	2029	8
Plateau de Savernat (Quinssaines)	France	2031-2032	16
Plouguin	France	2021	8
Remise Reclainville	France	2021	12
Ronchois	France	2025	30
Saint-André	France	2023	12
Saint-François	France	2030	23
Saint-Patrick	France	2024-2025	34
Sources de l'Ancre	France	2033	23
Sources de la Loire	France	2026	18
Touvent	France	2031	14
Val aux Moines	France	2032	15
Vallée de L'Arce	France	2024	30
Vaux des Roques	France	2024	8
Voie des Monts	France	2032	10
Vron	France	2028	8
Zondrange	France	2031	12
Côte-de-Beaupré	Québec, Canada	2035	24
Des Moulins I ⁽¹⁾	Québec, Canada	2033	69
Des Moulins II ⁽¹⁾	Québec, Canada	2033	11
Frampton	Québec, Canada	2035	24
Le Plateau I ⁽¹⁾	Québec, Canada	2032	71
Le Plateau II ⁽¹⁾	Québec, Canada	2034	13

Power Station	Location	PPA Maturity	Installed Capacity (MW)
Niagara Region (NRWF)	Ontario, Canada	2036	230
Oldman I	Alberta, Canada	n.a.	4
Seigneurie de Beaupré – phases I and II ⁽¹⁾	Québec, Canada	2033-2034	170
Port Ryerse	Ontario, Canada	2036	10
Roncevaux ⁽¹⁾	Québec, Canada	2041	37
Témiscouata I	Québec, Canada	2034	24
Témiscouata II	Québec, Canada	2035	52
Thames River	Ontario, Canada	2029-2031	90
Total:			1,723

Hydroelectric power stations

Power Station	Location	PPA Maturity	Installed Capacity (MW)
Fourth Branch	New York, United States	n.a.	3
Hudson Falls	New York, United States	2035	46
Middle Falls	New York, United States	2029	2
New York State Dam	New York, United States	n.a.	11
Sissonville	New York, United States	n.a.	3
South Glens Falls	New York, United States	2034	14
Warrensburg	New York, United States	n.a.	3
Beauport ⁽²⁾	Québec, Canada	2035	4
Buckingham ⁽²⁾	Québec, Canada	2038	10
East Angus ⁽²⁾	Québec, Canada	2030	2
Forestville ⁽²⁾	Québec, Canada	2035	12
Rimouski ⁽²⁾	Québec, Canada	2047	4
Saint-Lambert ⁽²⁾	Québec, Canada	2045	6
Jamie Creek	British Columbia, Canada	2054	22
Ocean Falls	British Columbia, Canada	2019	14
Total:			156

Thermal power stations

Power Station	Location	PPA Maturity	Installed Capacity (MW)
Blendecques (natural gas cogeneration)	France	2025	12
Senneterre (wood residue)	Québec, Canada	2027	35
Total:			47

Solar site

Power Station	Location	PPA Maturity	Installed Capacity (MW)
Avignonet-Lauragais	France	2031	5
Les Cigarettes	France	2035	10
Vaughan	Ontario, Canada	2035	1
Total:			16

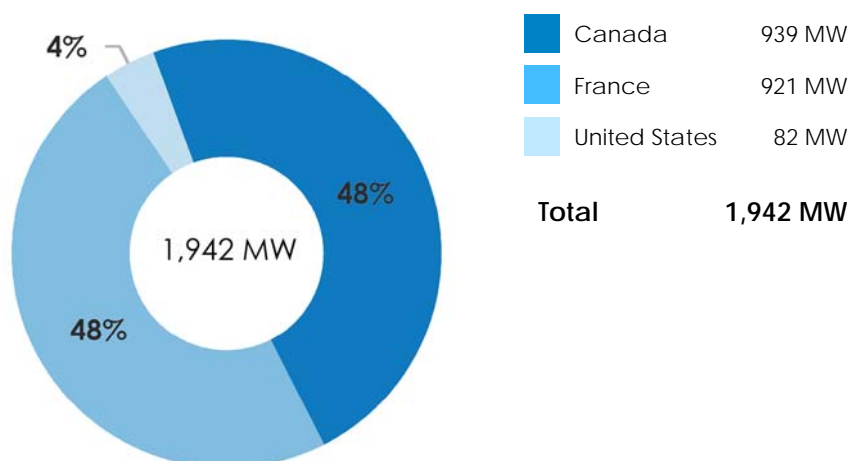
	Installed Capacity (MW)
Grand total:	1,942

(1) Ownership of Boralex.

(2) Including renewal thereof.

Major markets, distribution and sale of electricity

The following diagram illustrates the distribution of installed capacity (MW) of Boralex's facilities by country.



For the year ended December 31, 2018, according to IFRS, three customers of the Corporation accounted for more than 15% of its revenues, namely EDF (44%), the IESO (22%) and Hydro-Québec (17%). In 2017, three customers accounted for more than 15% of the Corporation's revenues, namely EDF (36%), IESO (21%) and Hydro-Québec (20%).

Competitive conditions

The competitive conditions that the Corporation faces primarily result from the fact that its activities are mainly dependent on the call for tender programs of the authorities located in different jurisdictions where it carries them out. Details of the applicable regulations for each jurisdiction which governs the activities of the Corporation are at Section 6, "Description of the business".

The French market is subject to the application of the *Loi de modernisation du service public de l'électricité* of February 10, 2000. This Act specifies the purchasing conditions for electricity produced by private producers. The electricity produced by the wind power facilities in this market is accordingly sold to EDF (93% in 2018), the Société Anonyme d'Économie Mixte Locale SEOLIS (4% in 2018), the Société Coopérative d'Intérêt Collectif Agricole de la région de Pithiviers ("SICAP") (1% in 2018), UEM (1% in 2018) and to the Compagnie Nationale du Rhône ("CNR") (less than 1% in 2018).

Availability of raw materials

The sites owned by the Corporation are powered by five resources convertible into energy: (i) wind; (ii) water; (iii) wood residue; (iv) natural gas; and (v) sun.

The amount of energy generated by the sites is dependent upon the availability to Boralex of wind, water flows, wood residue, natural gas or solar radiation as the case may be. There can be no assurance that availability of such resources will remain unchanged in the long term. If there are not enough resources, the assumptions underlying the financial projections concerning the volume of electricity to be generated by the renewable energy sites may not be substantiated, which could have a significant adverse impact on the Corporation's cash flows and profitability.

Seasonal activities and economic dependence

We refer you to the sections on "Risk Factors" and "Uncertainties" in the Corporation's Management's Discussion and Analysis for the year ended December 31, 2018, which are incorporated by reference herein.

Foreign activities

Except for the Avignonet-Lauragais (Phase 1, 8 MW) and Chépy (4 MW) wind farms, the operating facilities in France sell their electricity to EDF under long-term agreements having a term of 12 years (cogeneration), 15 years (wind) and 20 years (solar). The electricity produced by the Grand Camp site is sold to the SICAP and the electricity produced by the Coulonges site is sold to SEOLIS. The Morlange and Zondrange projects sell their electricity to UEM and the electricity produced by the Noyers Bucamps site is sold to CNR.

The U.S. wholesale electricity markets are deregulated. A substantial part of the transactions are carried out through organized markets operated by RTOs and ISOs, such as the NYISO for the New York State market. Agreements may also be entered into directly with energy distributors, usually large corporations, in these markets.

The agreements entered into with customers of Boralex provide that these customers may not refuse to accept delivery of energy or terminate the agreements except under specific circumstances, mainly a failure by Boralex to comply with its contractual obligations.

Environmental protection

The operations carried out by Boralex, like those of any other electricity producer, are subject to numerous laws and regulations dealing with protection of the environment, conservation and development of wildlife as well as conservation and development of public lands.

The Corporation holds all of the authorizations and permits required to operate its power stations and its operations are in compliance with applicable environmental laws and regulations.

The hydroelectric power stations located in Québec are subject to the *Dam Safety Act* and to the regulation thereunder. Depending on the region where the power plants are located, the dams must conform to certain criteria defined in this law. The Buckingham facility is the Corporation's only facility that will require compliance work.

With regards to the Buckingham facility, during fiscal year 2015, Boralex began work to comply with the *Dam Safety Act*. That work continued into 2016 and 2017 and will be completed concurrently with work to increase the capacity of this facility. The Corporation is planning to make additional investments to increase the power station's current installed capacity by 10 MW to 20 MW. The work to increase the capacity began in May 2018.

Employees

As at December 31, 2018, the Corporation and its subsidiaries had more than 410 employees. When necessary, the Corporation uses external resources to complement the expertise of internal employees.

Risk factors and uncertainties

Reference is made to the Corporation's Management's Discussion and Analysis for the fiscal year ended December 31, 2018, specifically under the headings "Risk Factors" and "Uncertainties", which sections are incorporated by reference herein.

7. Dividend policy

On February 12, 2016, the Board of Directors of Boralex declared a quarterly dividend in the amount of \$0.13 per common share which was paid on March 15, 2016. On February 24, 2016, it announced that it had authorized a 7.7% increase of the annual dividend to \$0.56 per common share (or quarterly to \$0.14 per common share). A quarterly dividend of \$0.14 per common share was paid on June 15, September 16 and December 15, 2016. On December 8, 2016, the Corporation announced a 7.1% increase in the annual dividend to \$0.60 per common share (or quarterly to \$0.15 per common share), which was paid on March 15, 2017 following the closing of the NRWF acquisition. A quarterly dividend of \$0.15 per common share was also paid on June 15, September 18 and December 15, 2017.

On February 12, 2018, the Board of Directors of the Corporation declared a quarterly dividend of \$0.15 per common share, which was paid on March 15, 2018. On May 8, 2018, the Board of Directors of the Corporation declared an increased quarterly dividend of \$0.1575 per common share, which was paid on June 15, 2018. In light of the signing of agreements for the acquisition of the interests of Invenergy in five wind farms in Québec on June 20, 2018, the Board of Directors of Boralex authorized, provided the transaction closed, a 4.8% increase in the annual dividend, from \$0.63 to \$0.66 per share (or an increase in the quarterly dividend, from \$0.1575 to \$0.1650 per share), which represents the second increase in the annual dividend by the Corporation in 2018 for a total increase of 10%. This second increase took effect on September 14, 2018. A quarterly dividend of \$0.1575 per common share was declared and paid on September 18, 2018 to shareholders of record at the close of markets on August 31, 2018. A quarterly dividend of \$0.1650 per common share was declared by the Board of Directors on November 8, 2018 and paid on December 17, 2018 to shareholders of record at the close of markets on November 30, 2018.

At the sole discretion of the Board of Directors, Boralex aims to pay annual dividends representing a ratio of 40% to 60% of its discretionary cash flows, defined as its cash flows from operations, less capital investments required to maintain its production capacity and project-related non-current debt repayments, as well as distributions paid to non-controlling shareholders excluding discretionary development expenses. Boralex reserves itself the right to adjust this calculation for any special items unrelated to current operations to ensure comparable ratios between periods. Such expectation is based on certain assumptions and subject to certain risks. See Section 2, "Notice concerning forward-looking statements".

Other than as indicated above, the Corporation has not declared any other dividend in the last three financial years. The Corporation does not face any restrictions that would prevent it from paying out dividends or distributions. As of the date hereof, the Corporation does not expect to make any changes to its dividend policy. However, the Board of Directors has full discretion to pay dividends or not on the Class A common shares based on, among other things, the Corporation's earnings, financial requirements for the Corporation's operations, the satisfaction of applicable solvency tests for the declaration and payments of dividends, the business strategy of the Corporation and other conditions existing from time to time. No assurance can be given as to whether the Corporation will in the future pay dividends, or the frequency or amounts of any such dividends. See Section 2, "Notice concerning forward-looking statements".

8. Capital structure

Shares

The share capital of Boralex is composed of an unlimited number of Class A common shares, 89,184,175 of which were issued and outstanding as at December 31, 2018, and an unlimited number of Preferred Shares, none of which had been issued as at December 31, 2018.

The Class A common shares have no par value and confer the right to vote at any meeting of shareholders, to receive any dividends declared by the Corporation thereon and to share in the remaining property upon the dissolution of the Corporation.

The Preferred Shares were created in order to allow additional flexibility to the Corporation with respect to future financing, strategic acquisitions and other corporate transactions. They can be issued in series, each series consisting of such number of shares as may before issuance be determined by the directors. The directors may, from time to time, fix before issuance the designations, rights, restrictions, conditions and limitations of each series of Preferred Shares, including the rate of preferential dividends, the redemption price, redemption and conversion rights or other provisions attaching to the Preferred Shares of any such series, the whole subject to the filing of articles of amendment confirming the designation, preferences, rights, conditions, restrictions, limitations and prohibitions attaching to any such series of Preferred Shares.

Convertible debentures

On June 22, 2015, 4.5% convertible unsecured subordinate debentures (the "2015 Debentures") were issued pursuant to the Trust Indenture between Boralex and Computershare Trust Company of Canada, the trustee, available on SEDAR, at www.sedar.com. They are traded on the Toronto Stock Exchange under the ticker symbol "BLX.DB.A". As of December 31, 2018, 143,707 2015 Debentures with a nominal value of \$1,000 each were outstanding, for a total value of \$144 million.

The 2015 Debentures will mature on June 30, 2020 and bear interest at an annual rate of 4.5% payable semi-annually in arrears on June 30 and December 31 each year starting December 31, 2015.

The 2015 Debentures can be converted at the holder's option into Class A common shares of Boralex at a price of \$19.5658 per share, subject to adjustment in accordance with the Trust Indenture. On November 30, 2018, the conversion price of the 2015 Debentures was adjusted from \$19.60 to \$19.5658 in accordance with the Trust Indenture since the dividends paid by Boralex in 2018 exceeded the dividend threshold under the Trust Indenture. Holders converting their debentures will receive accrued and unpaid interest thereon for the period from the last interest payment date, to, but not including, the date of conversion.

After June 30, 2018 and prior to June 30, 2019, the 2015 Debentures may be redeemed by Boralex, under certain circumstances, in whole or in part, at the option of Boralex on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the Class A common shares on the TSX during the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of redemption is given is not less than 125% of the conversion price of the 2015 Debentures. On and after June 30, 2019, the 2015 Debentures may be redeemed in whole or in part at the option of Boralex at a price equal to their principal amount plus accrued and unpaid interest.

Boralex may, at its option, on not more than 60 and not less than 40 days prior notice, subject to applicable regulatory approval and provided no event of default has occurred under the Trust Indenture and is continuing, elect to satisfy its obligation to pay the principal amount of the 2015 Debentures forming the subject of early redemption or the principal amount which is due on the maturity date, as the case may be, by issuing freely tradeable Class A common shares to the holders of the 2015 Debentures. Any accrued and unpaid interest thereon will be paid in cash. The number of Class A common shares to be issued will be determined by dividing the aggregate principal amount of the outstanding 2015 Debentures which are to be redeemed or which have matured by 95% of the current market trading price of the Class A common shares on the redemption date or the maturity date, as the case may be.

Shareholder Rights Plan

On March 1, 2018, the Board of Directors approved a shareholder rights plan (the "Rights Plan"). The Rights Plan was adopted to ensure, to the extent possible, that all Boralex shareholders be treated fairly and equally should the Corporation be the subject of a take-over bid or other unsolicited attempt of gaining control of the Corporation, and that the Board of Directors be given sufficient time to review and assess such a bid or other attempt so as to identify, develop and negotiate a more favourable alternative, if necessary.

The Rights Plan became effective on March 1, 2018 and was ratified by shareholders at the annual meeting of shareholders held on May 8, 2018. The Rights Plan is in effect until the close of business on the date on which the annual meeting of shareholders is held in 2021, and would be renewed in accordance with its terms for an additional period of three years (from 2021 to 2024), provided that the shareholders ratify such renewal at or prior to the annual meeting of shareholders to be held in 2021.

In adopting the Rights Plan, the Board of Directors considered the existing legislative framework governing take-over bids in Canada, as amended on May 9, 2016. As the legislative amendments do not apply to take-over bids that are exempt from the application of the provisions of securities laws that cover formal take-over bids, there continues to be a role for rights plans in protecting issuers and preventing the unequal treatment of shareholders. For instance, the Rights Plan:

- protects against “creeping bids” (the accumulation of more than 20% of the Class A common shares) through purchases exempt from Canadian take-over bid rules, such as: (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of shares not available to all shareholders, (iii) acquiring control through the slow accumulation of shares over a stock exchange without paying a control premium, or (iv) through other transactions outside of Canada that may not be formally subject to Canadian take-over bid rules, and requiring the bid to be made to all shareholders; and
- prevents a potential acquirer from entering into lock-up agreements with existing shareholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan.

9. Market for securities

The Class A common shares are listed on the TSX under the symbol “BLX” and the 2015 Debentures are listed on the TSX under the symbol “BLX.DB.A”. The Class A common shares table sets forth the price range, in Canadian dollars, and the trading volume on the TSX and on other alternative platforms for each month of 2018. The 2015 Debentures table sets forth the price range, in Canadian dollars, and the trading volume on the TSX for each month of 2018.

Class A Common Shares⁽¹⁾

Month (2018)	Price per Share (\$) Monthly High	Price per Share (\$) Monthly Low	Total Monthly Volume	Average Daily Volume
January	\$25.03	\$22.88	8,351,100	379,595
February	\$23.76	\$21.71	6,958,370	366,230
March	\$23.58	\$22.01	7,335,240	349,297
April	\$23.46	\$22.04	3,487,470	166,070
May	\$23.62	\$20.98	5,918,170	269,008
June	\$21.90	\$20.30	9,223,260	439,203
July	\$21.24	\$19.34	10,664,100	507,814
August	\$20.00	\$18.47	9,277,660	421,712
September	\$20.14	\$17.80	10,068,760	529,935
October	\$18.63	\$16.34	13,056,430	593,474
November	\$18.17	\$16.31	7,404,060	336,548
December	\$18.50	\$15.96	7,388,310	388,858

(1) Source: TSX; consolidated volume including alternative exchanges

BLX.DB.A 2015 Debentures⁽¹⁾

Month (2018)	Price per \$100 of Debentures Monthly High	Price per \$100 of Debentures Monthly Low	Total Monthly Volume	Average Daily Volume
January	\$128.32	\$121.26	2,960,000	134,545
February	\$125.00	\$120.00	2,303,000	121,211
March	\$121.82	\$115.40	1,326,000	63,143
April	\$121.00	\$110.00	720,000	34,286
May	\$122.00	\$114.00	1,566,001	71,182
June	\$115.02	\$110.00	748,001	35,619
July	\$113.99	\$108.00	3,358,000	159,905
August	\$108.00	\$105.00	481,000	21,864
September	\$109.99	\$103.00	618,000	32,526
October	\$105.54	\$100.55	6,498,000	295,364
November	\$104.43	\$101.00	2,368,000	107,636
December	\$104.20	\$100.25	683,001	35,947

(1) Source: TSX

10. Directors and officers

The directors of the Corporation are elected annually to hold office until the next annual meeting or until a successor is elected or appointed.

Information on the directors

The following information on directors is given as at the date of this Annual Information Form.

Mr. Patrick Lemaire, Québec (Canada), has been a director of Boralex since June 2006 and is the President and Chief Executive Officer of Boralex since September 2006. He holds, directly or indirectly, 27,809 Class A common shares of the Corporation.

Ms. Lise Croteau, Québec (Canada), is a corporate director. From 2015 to 2018 she was Executive Vice President and Chief Financial Officer of Hydro-Québec, having served as interim President and Chief Executive Officer of Hydro-Québec from May to July 2015. Ms. Croteau began her career as an auditor and joined Hydro-Québec in 1986, successively holding control and financial management positions. She has been a director of Boralex since 2018. She is a member of the Audit Committee and the Investment and Risk Management Committee. She directly or indirectly owns no Class A common shares of the Corporation.

Mr. Ghyslain Deschamps, Québec (Canada), is Executive Vice President, Building Division of EBC Inc., a leading Canadian construction company active in the building, civil works and mining sectors. He has been a director of Boralex since 2018. He is a member of the Investment and Risk Management Committee and the Environment, Health and Safety Committee. He directly or indirectly owns no Class A common shares of the Corporation.

Mr. Alain Ducharme, Québec (Canada), is retired. He was one of the officers of Cascades Inc., where he held various positions including Vice President from 1997 to 2010. He has been a director of Boralex since 2011 and chairs the Human Resources Committee and is a member of the Environment, Health and Safety Committee. He holds, directly or indirectly, 2,500 Class A common shares of the Corporation.

Mr. Edward H. Kernaghan, Ontario (Canada), is Senior Investment Advisor at Kernaghan & Partners Ltd., a brokerage firm. He is also President of Principia Research Inc., a research and investment holding company, and of Kernwood Ltd., an investment holding company. He has been a director of Boralex since 2006. He chairs the Nomination and Corporate Governance Committee and is a member of the Audit Committee. He holds, directly or indirectly, 6,700 Class A common shares of the Corporation.

Mr. Yves Rheault, Québec (Canada), is a corporate director and consultant. He has been a member of the Board of Boralex since 1997. He chairs the Investment and Risk Management Committee and is a member of the Human Resources Committee. He holds, directly or indirectly, 8,113 Class A common shares of the Corporation.

Mr. Alain Rhéaume, Québec (Canada) is the co-founder and Managing Partner of Trio Capital Inc., a private investment company. He is also a corporate director. He has been a director of Boralex since 2010 and has been Chairman of the Board since March 2017. Until July 2009, he was the lead director of Quebecor World Inc.¹ He owns, directly or indirectly, 3,500 Class A common shares of the Corporation.

Ms. Michelle Samson-Doel, Ontario (Canada), is President of Samson-Doel Group Limited, an investment company, and is also a corporate director. She has been a director of Boralex since 2005. She is a member of the Human Resources Committee and the Audit Committee. She holds, directly or indirectly, 28,881 Class A common shares of the Corporation.

Mr. Pierre Seccareccia, Québec (Canada), has been a corporate director since 2003. On May 17, 2010, Mr. Seccareccia was forced to resign as director of the Corporation given some residual economic ties with his former employer PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L., auditor of the Corporation. He was reappointed as a director of the Corporation on November 10, 2010, his situation having been resolved. He served, from 1998 to 2001, as Managing Partner for the chartered professional accounting firm PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L. He has been a director of Boralex since 2003 and he chairs the Audit Committee. He holds, directly or indirectly, 11,900 Class A common shares of the Corporation.

Ms. Dany St-Pierre, Illinois (United States), is President of Cleantech Expansion LLC, a renewable energy consulting firm. She has 25 years of professional experience, including 15 years in the energy sector in Canada, the United States and Latin America, working for companies such as Nordex USA, Alstom Power and Siemens Power Generation. Her business experience includes marketing, sales, business development and mergers and acquisitions. Ms. St-Pierre has been a director of Boralex since May 2016 and sits on the Nomination and Corporate Governance Committee and chairs the Environment, Health and Safety Committee. She directly or indirectly owns no Class A common shares of the Corporation.

¹ On January 21, 2008, Québecor World Inc. ("Québecor") sought protection under the *Companies' Creditors Arrangements Act* and set up a capital restructuring plan approved by its creditors in July 2009 after a court order was obtained allowing it. Mr. Rhéaume has not been a director of Québecor since July 2009.

Ms. Marie Giguère, Québec (Canada), is a corporate director. From 2010 to 2016 she was Executive Vice President, Legal Affairs and Secretariat of the Caisse de dépôt et placement du Québec (the "Caisse"). She was a partner at Fasken Martineau LLP for many years and, from 1997 to 1999, she was Senior Vice President, Institutional Affairs and General Secretary of the Montreal Exchange. From 1999 to 2005, she was Senior Vice President, Chief Legal Officer and General Secretary of Molson Inc. She has been a director of Boralex since November 2017 and is a member of the Nomination and Corporate Governance Committee and the Environment, Health and Safety Committee. She directly or indirectly owns 3,000 Class A common shares of the Corporation.

Information on the executive officers

The following information on the executive officers is provided as at the date of this Annual Information Form.

Non-Director Officer	Position with the Corporation	Province and Country of Residence	Number of Shares Held
Guy D'Aoust	Vice President, Finance	Québec (Canada)	4,468
Patrick Decostre	Vice President and General Manager, Boralex Europe	Belgium	3,750
Hugues Girardin	Vice President, Development	Québec (Canada)	6,152
Bruno Guilmette	Vice President and Chief Financial Officer	Québec (Canada)	0
Pascal Hurtubise	Vice President, Chief Legal Officer and Corporate Secretary	Québec (Canada)	1,893
Jean-François Thibodeau	Vice President, Management Advisor	Québec (Canada)	8,657

Hugues Girardin has been engaged in his principal occupation for the past five years. The other executive officers of the Corporation have been engaged in the following occupations for the past five years:

- Guy D'Aoust who served as Director, Finance and Treasury, from September 2008 to November 2016.
- Patrick Decostre who served as General Manager, Boralex Europe, from December 2009 to November 2016;
- Bruno Guilmette who served as Interim Chief Investment Officer at the Canada Infrastructure Bank between January 2018 and June 2018 and Senior Vice President, Infrastructure Investments, at PSP Investments between November 2005 and December 2015;
- Pascal Hurtubise who served as Vice President, Legal Affairs, North America from November 2016 to June 2017 and Director, Legal Affairs from June 2012 to November 2016;
- Jean-François Thibodeau who served as Vice President and Chief Financial Officer from May 2006 to January 2019.

The following information on the composition of the committees is given as at the date of this Annual Information Form:

- The Audit Committee is composed of Lise Croteau, Edward H. Kernaghan, Michelle Samson-Doel and Pierre Seccareccia (Chair).
- The Environment, Health and Safety Committee is composed of Ghyslain Deschamps, Alain Ducharme, Marie Giguère and Dany St-Pierre (Chair).
- The Nomination and Corporate Governance Committee is composed of Edward H. Kernaghan (Chair), Dany St-Pierre and Marie Giguère.
- The Human Resources Committee is composed of Alain Ducharme (Chair), Yves Rheault and Michelle Samson-Doel.
- The Investment and Risk Management Committee is composed of Lise Croteau, Ghyslain Deschamps and Yves Rheault (Chair).

As at the date of this Annual Information Form, Boralex's directors and executive officers as a group beneficially own, directly or indirectly or exercise control over 117,323 Class A common shares of Boralex, representing less than 1% of the Corporation's issued and outstanding Class A common shares. It should also be noted that no director or executive officer holds directly in his name more than 1% of the Corporation's shares.

11. Audit committee

Audit committee charter

The Audit Committee Charter can be found at Schedule A.

Composition and mandate

The Audit Committee of Boralex is composed of Lise Croteau, Edward H. Kernaghan, Michelle Samson-Doel and Pierre Seccareccia (Chair), all of whom are independent. The Committee is governed by a written charter, a copy of which is attached to this Annual Information Form as Schedule "A".

Relevant experience and education of the members

The following briefly summarizes the education and experience of each Committee member that is relevant to the performance of their duties on the Committee, in particular any education or experience that provides the member with an understanding of the accounting principles used by the Corporation to prepare its annual and interim financial reports.

Lise Croteau has a Bachelor's of Business Administration and was named *Fellow* of the *Ordre des comptables professionnels agréés du Québec* in 2008. From 2015 to 2018 she was Executive Vice President and Chief Financial Officer of Hydro-Québec, having served as interim President and Chief Executive Officer of Hydro-Québec from May to July 2015. Ms. Croteau also held several control and financial management positions with Hydro-Québec. Ms. Croteau is a member of the audit committee of TVA Group Inc., chairs the audit and financial administration committee of the Montreal Museum of Fine Arts and is a member of the audit committee of the Montreal Heart Institute Foundation.

Edward H. Kernaghan has a Master's of Science from the University of Toronto. He is Senior Investment Advisor at Kernaghan & Partners Ltd., a brokerage firm, and President of Kernwood Ltd., a holding and investment company. Mr. Kernaghan is also a member of the audit committee of Exco Technologies Limited, Brick Brewing Co. Limited and Black Diamond Group Limited.

Michelle Samson-Doel is a corporate director and president of Samson-Doel Group Limited, an investment company. Ms. Samson-Doel has been a CPA, CA since 1982 and holds a Bachelor of Commerce and Finance from the University of Toronto. She completed the corporate director certification program from the Rotman School of Management and has been accredited IAS.A by the Institute of Corporate Directors since 2004. She has served in many executive positions at Multi-Marques Inc., including as Vice President of business development from 1996 to 2000 and as executive chair of the board of directors from 2000 to 2001. Ms. Samson-Doel is also a member of the audit committee of the GTAA-Greater Toronto Airports Authority – Toronto Pearson International Airport.

Pierre Seccareccia has been a *Fellow* of the *Ordre des comptables professionnels agréés du Québec* since 1996 following his admission as member in 1970. He was admitted as a partner for the firm Coopers & Lybrand in 1976 and was, from 1998 to 2001, managing partner for the chartered professional accountant firm PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L.

Exemptions

The Corporation has not relied on any exemption during this last fiscal year.

Independent auditors' fees

The following table lists the fees invoiced by PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L. over the last two financial years ending December 31st, in Canadian dollars, for various services rendered to the Corporation and its subsidiaries:

(in Canadian dollars)	2018	2017
Audit fees	\$877,640	\$533,500
Audit-related fees	\$785,125	\$368,550
Tax fees	-	-
All other fees	\$137,000	\$21,200
Total	\$1,799,765	\$923,250

"Audit Fees" consist of all fees paid for professional services rendered for the audit of the Corporation's annual consolidated financial statements and for services that are normally provided in connection with statutory and regulatory filings or engagements related to the annual consolidated financial statements, including review engagements performed on the interim consolidated financial statements of the Corporation.

"Audit-related fees" consist of all fees paid for professional services related to audits of subsidiary companies, where required, specified procedures reports and other audit engagements not related to the consolidated financial statements of Boralex.

"Tax fees" consist of all fees paid for professional services rendered with respect to income and sales taxes.

"Other fees" consist of all fees paid for translation services, advisory services and fees related to the auditors' involvement with offering documents, if any.

Audit committee preapproval policy

The Audit Committee has a policy of independence of the external auditor, which governs all aspects of the relationship of Boralex with its external auditor, including the preapproval of all services provided by its external auditor. At the beginning of each year, the Vice President and Chief Financial Officer of Boralex and the external auditor make a joint submission to the Audit Committee showing the list of audit services, audit-related services, tax services and non-audit services which require preapproval for the following financial year. The list of proposed services is reviewed by the Audit Committee and, where it deems appropriate, approved.

If, after the annual general approval, the Corporation finds it necessary that the external auditor perform an additional service, a request must be submitted at the next regular meeting of the Committee for purposes of obtaining specific preapproval.

12. Legal proceedings

None of the Corporation or its subsidiaries was, during the year ended December 31, 2018, subject to any legal proceedings that would have a material adverse effect on it or that represent an amount exceeding 10% of the consolidated assets of the Corporation. A description of certain legal proceedings to which the Corporation is a party is found below and is also included in the audited annual consolidated financial statements of Boralex for the year ended December 31, 2018, incorporated herein by reference.

On September 16, 2016, the Corporation completed the acquisition of the Moulins du Lohan (51 MW) project located in Bretagne, France. The construction permits were obtained in 2014 from the administration of the Morbihan department and construction had begun before the Corporation's acquisition. On April 14, 2017, land owners filed a motion to have construction on the project cease pending a court decision regarding the cancellation of the permits issued by the Prefect of Morbihan. On July 7, 2017, the Administrative Tribunal of Rennes cancelled the authorizations for the Moulins du Lohan project based on its subjective risk assessment of damage to the interests protected by the *Code de l'environnement*. As a result of these proceedings, construction of the project has halted. The Corporation has appealed this decision. Given the circumstances, the legal precedents and the grounds stated by the Tribunal, it believes that the decision is unfounded in fact and in law. The appeal was heard before the Cour administrative d'appel de Nantes on February 4, 2019. As of the hearing, a decision is generally rendered within a period of 1 to 3 months.

On October 19, 2017, the Corporation received a \$25 million claim for compensation (excluding taxes) from Neilson, a division of Pomerleau Inc. ("Pomerleau") associated with the work performed by Pomerleau for the Yellow Falls facility in connection with a \$59 million engineering, procurement and construction ("EPC") contract entered into on July 22, 2015. In July 2018, a settlement agreement was entered into between the parties under which the Corporation paid a lump-sum amount of \$5 million to settle the claim. This \$5 million amount was recognized in the Corporation's financial statements as at June 30, 2018.

On February 7, 2014, an application for authorization to institute a class action was filed in the Superior Court of Québec by Pierre Labranche and Edna Stewart against, *inter alia*, Des Moulins Wind Power LP, Invenergy Des Moulins GP ULC and Hydro-Québec in respect of Des Moulins I, one of the wind farms Boralex acquired from Invenergy in 2018. The application for authorization to institute a class action was granted on March 31, 2016. The plaintiffs allege that the Des Moulins I Project (i) negatively affects the value of their properties, (ii) causes abnormal neighbourhood annoyances, including continuous noise morning and night, vibrations and strobe effects, the presence of flashing red lights visible from their residences, negative consequences on the landscape and moving shadows, and (iii) is an intentional infringement of their rights, including their property right. The plaintiffs, on behalf of the members of the authorized class, seek: (i) compensatory damages for the alleged abnormal neighbourhood annoyances suffered; (ii) punitive damages for the alleged intentional infringement of their rights; and (iii) the demolition of all the wind turbines that have already been built less than three (3) kilometers away from a residence. The quantum in the case of compensatory and punitive damages sought is to be determined according to the evidence to be submitted by the plaintiffs.

13. Interest of management and others in material transactions

No director, executive officer or shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of any category of shares of the Corporation or known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction within the last three years or during the current financial year or in any proposed transaction, that has materially affected or will materially affect the Corporation, other than the following transactions with the Caisse, which owns common shares of Boralex representing approximately 19.9% of the issued and outstanding common shares as at December 31, 2018, or certain parties related to it:

- (i) The Corporation has an office lease contract with Ivanhoé Cambridge, an entity in which the Caisse holds an interest as well. As at December 31, 2018, the amount of the lease expense was \$1 million.
- (ii) On March 29, 2018, CDPQ Revenu Fixe inc., a subsidiary of the Caisse, invested an amount of \$170 million in the form of unsecured subordinated debt with a 10-year maturity. On July 24, 2018, Boralex drew an amount of \$80 million available under Tranche B. For more information, see Sub-section "2018" in Section 5.
- (iii) On July 11, 2018, Boralex closed a private placement of subscription receipts of Boralex to the Caisse for gross proceeds of approximately \$52 million, which includes the full exercise of the private placement option by the Caisse. As part of the review and approval of the private placement by Boralex's Board, the two independent directors appointed by the Caisse to Boralex's Board did not participate in the debate regarding the private placement and abstained from voting on it.

- (iv) On September 14, 2018, Boralex closed the acquisition of all Invenergy's economic interests in 5 wind farms in Québec for a total cash consideration of \$216 million, subject to post-closing adjustments to the purchase price under the acquisition agreements. The Caisse then indirectly held a 52.4% economic interest in Invenergy. As part of the review and approval of the acquisition by Boralex's Board, the two independent directors appointed by the Caisse to Boralex's Board did not participate in the debate regarding the acquisition and abstained from voting on it.

For additional information with respect to certain related party transactions to which the Corporation is a party, see note 29 - Related Party Transactions of the Corporation's audited annual financial statements for the year ended December 31, 2018.

14. Transfer agent and registrar

The transfer agent and registrar of Boralex is Computershare Investor Services Inc., having a place of business at 1500 Robert-Bourassa Boulevard, 7th Floor, Montréal, Québec, H3A 3S8 Canada. The transfer register of the Class A common shares of the Corporation maintained by Computershare Investor Services Inc. is located in the same office.

15. Material contracts

The material contracts entered into during the year ended December 31, 2018 and those entered previously and which are still in effect are:

RSP Énergie Inc. Management Agreement

Management Agreement dated June 20, 2017 between the Corporation and RSP Énergie Inc., under which the Corporation manages and operates two hydroelectric power stations having a total capacity of 12.6 MW until September 7, 2034. The management agreement is automatically renewable for successive one-year terms. It replaces the management agreement entered into on April 2, 2003 between the Corporation and RSP Énergie Inc., the term of which ended in 2018.

Thames River Financing Agreement

Pursuant to a loan agreement dated March 10, 2010 entered into between Boralex Ontario Holdings LP, Boralex Ontario Energy Holdings 2 LP and a consortium of Canadian life insurance companies formed and headed by Manulife Financial Corporation, Boralex announced the refinancing for Phase I (40 MW) of the Thames River wind farm, and the refinancing for Phase II (50 MW) at the same site. The total amount involved is \$195 million, about 76% of the total investment, including initial financing costs, interest payable during the construction period, working capital and contingencies. As a result of the increase in the financial leveraging on Phase I of the project, Boralex has been able to complete Phase II without adding any equity investment and also free up \$13 million. The loan will be amortized over 21 years, at a rate of 7.05% for the entire term of the loan. Phase I, with an installed capacity of 40 MW, has been operating since late January 2010. Phase II, with an installed capacity of 50 MW, has been gradually put into operation between November 2010 and January 2011. The power produced by the Thames River wind farm is sold to the OPA (now IESO) under the Advanced RESOP program.

Seigneurie de Beaupré Financing

On May 4, 2016 Boralex, Gaz Métro Limited Partnership and Valener Inc. announced the closing of a \$618 million amended and restated credit agreement in connection with the non-recourse refinancing for the Seigneurie de Beaupré 2 and 3 wind farms project. The total refinancing amount consists of: (i) a \$383 million uncovered tranche of the term loan expiring in December 2032, representing a \$132 million increase over the initial tranche and a one-year extension of the maturity date, (ii) a \$193 million covered tranche of the term loan expiring in December 2029, representing a \$45 million decrease and a two-year reduction of the maturity date of this tranche, which is covered by a guarantee pledged in favour of the lenders by the Federal Republic of Germany through its export credit agency Euler-Hermes, and (iii) a \$41 million letter of credit facility. The group of lenders consists of Bank of Tokyo-Mitsubishi (UFJ), IPEX-Bank, Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, AKA Bank, DZ Bank, Laurentian Bank of Canada, Commonwealth Bank of Australia and Crédit Industriel et Commercial.

Share Purchase Agreement Related to 2014 Acquisition of EGP France

On December 18, 2014, Boralex entered into a Share Purchase Agreement with Enel Green Power International BV (the "Vendor"), a wholly-owned subsidiary of Enel Green Power SpA, in connection with the acquisition by Boralex of all of the issued and outstanding shares of EGP France for a consideration of \$189 million (€132 million), payable in cash. The acquisition closed on December 18, 2014.

Pursuant to the Share Purchase Agreement, Boralex acquired EGP France for a total purchase price of €295 million (\$422 million) (the "Purchase Price"), consisting of:

- (i) €280 million consisting of (a) €117 million for the acquisition of all of the shares of EGP France (the "Base Purchase Price") and (b) €163 million for the repayment of the Vendor's loans to EGP France;
- (ii) €15 million for the acquisition of a 10 MW wind farm (Pecou) that was owned by a subsidiary of EGP France, who had undertaken to sell it to a third party. The sale of this wind farm occurred on December 23, 2014 for a consideration of €15 million. Boralex, through EGP France, recovered the amount of €15 million.

The Base Purchase Price was based on estimates prepared before the closing date of (i) cash and cash equivalents and other specified elements of financial positions such as receivables and securities held, offset by certain specified liabilities, and (ii) net working capital.

The Share Purchase Agreement contains representations and warranties made by the Vendor in favour of Boralex with respect to EGP France and indemnities from the Vendor in favour of Boralex. The total liability of the Vendor to Boralex under the indemnification provisions will be subject to certain limitations set forth in the Share Purchase Agreement.

Non-Recourse Term Loan Facility Entered Into in Connection with Acquisition of EGP France

In connection with the acquisition of EGP France by the Corporation, which closed on December 18, 2014, a non-recourse senior secured term loan facility was made available to EGP France by BNP Paribas SA in the principal amount of €180 million maturing in January 2030 (the "Non-Recourse Term Loan Facility").

A first tranche has been drawn and used by EGP France in an amount of €170 million at the closing of the acquisition of EGP France to repay the Vendor's loans to EGP France and to meet certain other liabilities of EGP France in relation to the financing. More specifically, €168 million of the first tranche was used to finance a portion of the Purchase Price. A second tranche of up to €10 million became available for the financing of certain construction costs related to Pays d'Othe wind farm of EGP France, and other capital expenditures, subject to the satisfaction of certain conditions precedent, including specific project-related events and milestones. A third tranche in an amount of €25 million was disbursed on December 18, 2015, which brings the total amount to €205 million.

The repayment must be made in semi-annual installments since July 5, 2015. Interest under the Non-Recourse Term Loan Facility agreement will be payable semi-annually. The interest rate on the first €145 million is a variable rate and is equal to the Euribor and the applicable interest margin which will increase incrementally every five years until the final maturity date ("Applicable Margin"). The interest rate on the remaining €60 million is a fixed rate and is the sum of a specified fixed interest margin and the Applicable Margin. The setting up of an interest rate hedging agreement allows Boralex to eliminate a significant amount of risk related to interest rate changes.

The Non-Recourse Term Loan Facility agreement contains a variety of restrictions applicable to EGP France as borrower, in particular in view of potential acquisitions and distributions to its shareholder, the assumption of additional financial indebtedness and the granting of loans and security interests to parties other than BNP Paribas SA and any other third party that may become a lender under the Non-Recourse Term Loan Facility.

Trust Indenture for "BLX.DB.A" 2015 Debentures

On June 22, 2015, Boralex and Computershare entered into a Trust Indenture that governs the 2015 Debentures. For additional information relating to the terms of the 2015 Debentures, refer to Section 8, "Capital structure – Convertible debentures".

Acquisition agreements for NRW project

In connection with the acquisition of all of Enercon's interest in the NRW project, which closed on January 18, 2017, Boralex entered into two acquisition agreements with Enercon and some of its subsidiaries, namely a share and unit purchase agreement and a subscription and redemption agreement. Under these two agreements (collectively, the "Acquisition Agreements"), Boralex acquired all of the economic interest of Enercon in the NRW project for a total cash consideration of \$232 million, subject to purchase price adjustments under the Acquisition Agreements. In the Acquisition Agreements, Enercon makes representations, warranties and several undertakings toward Boralex regarding the NRW project, and has granted certain other indemnities to Boralex. For further information about the acquisition of Enercon's interest in the NRW project, see Sub-sections "2016" and "2017" in Section 5.

Financing of the NRW project

On September 30, 2016, NR Capital GP, as borrower, entered into a credit agreement with FWRN LP, as guarantor, 1021702 B.C. Ltd., general partner of FWRN LP, as guarantor, and various financial institutions, as lenders, which agreement was amended on December 15, 2016 and January 18, 2017. The non-recourse financing totals \$826 million and is comprised of a \$535 million unsecured term loan, a \$252 million term loan guaranteed by the Federal Republic of Germany through its export credit agency, Euler-Hermes, and a \$39 million letter of credit facility. The term loans have a term of 18 years and an interest rate below 4%. The group of lenders is composed of Bank of Tokyo-Mitsubishi (UFJ), KfW, IPEX-Bank, Landesbank Baden-Württemberg, DZ Bank, ABN Amro and CaixaBank.

Underwriting agreement for 2016 distribution

Pursuant to an underwriting agreement entered into on December 9, 2016 between the Corporation and National Bank Financial Inc., RBC Capital Markets, BMO Nesbitt Burns Inc., CIBC World Markets Inc., Desjardins Securities Inc., TD Securities Inc., Cormark Securities Inc., Industrial Alliance Securities Inc. and Raymond James Ltd., the Corporation issued and sold, on a bought deal basis, 10,361,500 subscription receipts of Boralex at a price of \$16.65 each for a total of \$173 million. Each subscription receipt may be exchanged for one Class A share of Boralex. The subscription receipts were converted into 10,361,500 Class A shares of Boralex when the acquisition of the NRWF project closed, on January 18, 2017. The proceeds of the distribution were applied to the payment of the acquisition price payable in connection with the acquisition of the NRWF project. For more information, see Sub-section "2017" in Section 5.

Investor rights agreement

Pursuant to an investor rights agreement entered into on July 27, 2017 between the Corporation and the Caisse, the Caisse may appoint two independent directors to Boralex's Board. The number of individuals the Caisse can appoint to the Board will fall to one if it and its affiliates cease to be the beneficial owners of at least 15% of the issued and outstanding shares of Boralex. The Caisse will no longer have the right to appoint a director if it and its affiliates cease to be the beneficial owners of at least 12% of the issued and outstanding shares of Boralex. Boralex also granted the Caisse pre-emptive rights in the case of additional share issuances, subject to customary exceptions, as long as the Caisse is the beneficial owner of at least 10% of the issued and outstanding shares of Boralex. The investor rights agreement also provides for registration rights in favour of the Caisse.

Acquisition agreement for Des Moulins I, Des Moulins II and Le Plateau I projects

In connection with the acquisition of Invenergy's economic interests in five wind farm projects in Québec, on June 20, 2018, Boralex entered into an acquisition agreement with affiliates of Invenergy for the Des Moulins I, Des Moulins II and Le Plateau I projects. Under this acquisition agreement and other agreements, Boralex acquired all of Invenergy's economic interests in five wind farm projects in Québec totalling 201 MW of net installed capacity, for a total cash consideration of \$216 million, subject to price adjustments under the acquisition agreements.

Subscription agreement for the private placement to CDP Groupe infrastructures Inc.

Pursuant to a subscription agreement entered into on June 20, 2018 between the Corporation and CDP Groupe Infrastructures Inc. (wholly-owned by the Caisse), the Caisse has agreed to purchase, by way of a private placement on a prospectus-exempt basis, 2,562,200 subscription receipts of Boralex at a price of \$20.20 each for gross proceeds of approximately \$52 million, which includes the full exercise of the private placement option by the Caisse.

Underwriting agreement for the 2018 offering

Pursuant to an underwriting agreement entered into on June 22, 2018 between the Corporation and National Bank Financial Inc., RBC Capital Markets, BMO Nesbitt Burns Inc., CIBC World Markets Inc., Desjardins Securities Inc., TD Securities Inc., Cormark Securities Inc. and Industrial Alliance Securities Inc., the Corporation issued and sold, on a bought deal basis, an aggregate of 10,247,650 subscription receipts at a price of \$20.20 each, for gross proceeds of approximately \$207 million, which includes the full exercise of the over-allotment option by the underwriters.

Subscription receipt agreement for the private placement to CDP Groupe Infrastructures Inc.

The subscription receipt agreement entered into on July 11, 2018 between the Corporation and Computershare Trust Company of Canada as agent and bailee of the subscription receipts issued to the Caisse governs the terms of the subscription receipts issued to the Caisse by way of a private placement. The subscription receipt agreement provides, *inter alia*, that each subscription receipt will entitle the Caisse to receive automatically, upon the acquisition closing, without any further action on the part of the Caisse and without payment of any additional consideration, (i) one common share of Boralex and (ii) an amount per subscription receipt equal to the dividend equivalent payment. The subscription receipts were converted into 2,562,200 Class A common shares of Boralex at the closing of the acquisition of Invenergy's economic interests in five wind farm projects in Québec on September 14, 2018.

Subscription receipt agreement for the 2018 offering

The subscription receipt agreement entered into on July 11, 2018 between the Corporation and Computershare Trust Company of Canada as agent and bailee on behalf of the holders of subscription receipts governs the terms of the subscription receipts issued in connection with the public offering of subscription receipts. The subscription receipt agreement provides, *inter alia*, that each subscription receipt will entitle the holder to receive automatically, upon the acquisition closing, without any further action on the part of the holder and without payment of any additional consideration, (i) one common share of Boralex and (ii) an amount per subscription receipt equal to the dividend equivalent payment. The subscription receipts were converted into 10,247,650 Class A common shares of Boralex at the closing of the acquisition of Invenergy's economic interests in five wind farm projects in Québec on September 14, 2018.

16. Interests of experts

PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L., Partnership of Chartered Professional Accountants, is the independent auditor of the consolidated financial statements of the Corporation who prepared an independent auditor's report dated February 28, 2019 in respect of the Corporation's consolidated financial statements and related notes as at December 31, 2018 and 2017 and for the years then ended. PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L. has advised that they are independent with respect to the Corporation within the meaning of the *Code of ethics of chartered professional accountants* of Québec.

17. Additional information

Additional information, including directors' and officers' remuneration, loans granted to them, principal holders of the securities of Boralex and securities authorized for issuance under equity compensation plans, if any, is included in the management proxy circular dated March 12, 2018 and will be included in the management proxy circular prepared in connection with the 2019 annual meeting of shareholders of Boralex which will take place on May 8, 2019.

Additional financial information pertaining to the financial year ended December 31, 2018 is included in the audited annual financial statements of Boralex for the year ended December 31, 2018, and the related Management's Discussion and Analysis, which are specifically incorporated by reference herein and are available at www.sedar.com.

The continuous disclosure documents are available on the Corporation's website at www.boralex.com or on SEDAR at www.sedar.com, or by request to the Corporate Secretary of the Corporation at the following addresses:

Boralex Inc.

Head Office

36 Lajeunesse Street
Kingsey Falls, Québec J0A 1B0
Telephone: 819-363-6363
Facsimile: 819-363-6399

Boralex Inc.

Administrative Offices

Corporate Secretary Offices
900, boulevard de Maisonneuve Ouest, 24th Floor
Montréal, Québec H3A 0A8
Telephone: 514-284-9890
Facsimile: 514-284-9895

Schedule "A" - Audit committee charter

1. Composition and quorum

- The Audit Committee consists of a minimum of three directors appointed by the Board;
- Only independent directors, as determined by the Board and following Canadian securities legislation and regulations, may serve on the Audit Committee. A member of the Audit Committee may not, other than in his or her capacity as a director or member of a Board committee and subject to the exceptions provided in Canadian laws and regulations, directly or indirectly accept any fee from Boralex or any subsidiary of Boralex or be an affiliated person of Boralex or any subsidiary of Boralex;
- Each member must be deemed "financially literate" by the Board;
- A majority of the members constitutes a quorum.

2. Committee meetings

- The Committee meets as needed but at least four times a year;
- Committee members meet before or after every meeting without the presence of management;
- The Committee reports regularly on its activities to the Board and makes recommendations as appropriate.

3. Mandate

The primary duty of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the following:

- Accuracy and completeness of the Corporation's consolidated financial statements and related information;
- Financial reporting and disclosure process;
- Internal controls and financial controls systems;
- Appointment, qualifications, performance, independence and compensation of auditors;
- Compliance with legal and regulatory requirements; and
- Any other duty or responsibility the Board may delegate to the Committee from time to time.

While the Audit Committee has the responsibilities and powers stated below, its members acknowledge that the Committee's role is to oversee, on behalf of the Board, the Corporation's accounting and financial disclosure processes and the auditor's work, and to regularly report to the Board on its activities.

Management is responsible for the preparation, reporting and integrity of the Corporation's consolidated financial statements and for the effectiveness of its internal controls over financial reporting. Management is responsible for applying and maintaining appropriate principles and policies with respect to accounting, reporting and internal controls that allow Boralex to comply with accounting standards, laws and regulations.

The auditors are responsible for planning and conducting audits of the Corporation's annual consolidated financial statements and annually reviewing the effectiveness of internal controls over financial reporting and the other auditing procedures.

The Audit Committee is directly responsible for overseeing the work of the auditor retained for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Boralex.

In performing their duties, Audit Committee members must engage in constructive and open discussions with the Board, the auditor and management.

The responsibilities of the Audit Committee include the following:

A. Financial reporting

- Review the quality and integrity of the Corporation's accounting, reporting and disclosure processes through discussions with management and the auditors;
- Review with management and the auditors, the Corporation's annual audited financial statements, including the management report, related press releases and auditor's report on the annual audited financial statements prior to their distribution and filing with securities regulators;
- Review with management, the Corporation's unaudited consolidated financial statements, including the interim management report and related press releases prior to their distribution and filing with securities regulators;
- Review the financial information in prospectuses, offering memoranda, annual information form and any other public documents that contain audited or unaudited financial information submitted for Board approval;
- Review, with the auditors and management, the quality, appropriateness and disclosure of the Corporation's accounting principles and policies, underlying assumptions, reporting practices, and any proposed changes thereto;
- Review any analyses or other written communications prepared by management or the auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the consolidated financial statements, including the effects of alternative GAAP methods on the Corporation's financial statements;
- Review the compliance of management certification of financial reports with applicable legislation;
- Review any material litigation and any regulatory or accounting initiatives that could have a material effect on the financial position or operating results of the Corporation and the appropriateness of their disclosure in the documents reviewed by the Audit Committee;
- Review the results of the audit, any significant problems encountered in performing the audit and management's response or action plan in response to the auditors' recommendations.

B. Financial risk management and internal controls

- Receive, periodically, management's report assessing the adequacy and effectiveness of the Corporation's disclosure controls and procedures and internal control systems;
- Review the Corporation's insurance coverage each year and as required;
- Review the Corporation's major financial risk assessment and management policies, including hedging, financing, investment and credit policies;
- Review major capital expenditures and other major spending, transactions between related parties and any other transactions that could change the Corporation's financial or organizational structure, including off-balance sheet items;
- Assist the Board with the oversight of the Corporation's compliance with applicable legal and regulatory requirements;
- While ensuring confidentiality and anonymity, establish clear, precise procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters (i.e. irregularities or fraud), including employee concerns regarding accounting or auditing matters.

C. Auditors

- Make recommendations to the Board concerning the appointment and remuneration of auditors according to their evaluation and review of their qualifications, performance and independence in accordance with Canadian Public Accountability Board standards;
- Ensure that the auditors report directly to the Committee;
- Approve and oversee the disclosure of all audit, review or attest services provided by the auditors; determine which non-audit services the auditors may not provide, and pre-approve and oversee the disclosure of permitted non-audit services provided to Boralex or its subsidiaries, divisions or joint ventures in accordance with applicable laws and regulations;
- Discuss with the auditors the quality and not just the acceptability of the Corporation's accounting principles, including i) all critical accounting policies and practices used, ii) any alternative treatments of financial information that have been discussed with management, the ramifications of their use and the treatment preferred by the auditors, and iii) any other material written communication between management and the auditors;
- Resolve any disagreement or unresolved issue between management and the auditors that could have an impact on the consolidated financial statements or on the existing measures and procedures to remedy it;
- Review, at least once a year, the auditor's report describing the auditors' relationship with Boralex and confirming their independence, and discuss with them any relationship or service that may impact the quality of their auditing services, their objectivity or independence;
- Approve and review, at least once a year, the Corporation's policy on auditor independence, including the rules for hiring the auditors' personnel.

If necessary, the Audit Committee may retain, at the Corporation's expense, independent advisors to assist it in fulfilling its responsibilities and may fix the fees and other hiring terms of such advisors.

Once a year, the Committee reviews the adequacy of its mandate.



BORALEX



@BoralexInc
boralex.com

Our thanks to the employees who accepted to appear on the cover page:
Van Anh Dang Vu (Kingsey Falls, Québec),
Myriam Savage (Thetford Mines, Québec) and
Ernani Schnorenberger (Lyon, France).