BORALEX

energy creator

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2013

MARCH 13, 2014

PROFILE

Boralex is a power producer whose core business is dedicated to the development and the operation of renewable energy power stations. Currently, the Corporation operates an asset base with an **installed capacity** of more than **650 MW** in Canada, France and the Northeastern United States. Boralex is also committed under power development projects, both independently and with Canadian and European partners, to **add** approximately **250 MW** of power that will be put in service by the end of 2015.

With more than 200 employees, Boralex is known for its diversified **expertise** and in-depth **experience** in four power generation types — wind, hydroelectric, thermal and solar.

Boralex's shares and convertible debentures are listed on the Toronto Stock Exchange under the ticker symbols BLX and BLX.DB, respectively. More information is available at www.boralex.com or www.sedar.com.

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1. Information incorporated by reference

The audited consolidated financial statements of Boralex Inc. ("Boralex" or the "Corporation") for the year ended December 31, 2013 and the notes thereto as well as 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 via the Internet at www.sedar.com or www.boralex.com.

2. Notice concerning forward-looking statements

Certain statements contained in this Annual Information Form and in certain documents incorporated by reference in this Annual Information Form constitute "forward-looking statements". It is important to note that there can be certain changes and trends, as well as risks and uncertainties that can affect Boralex's operating results and financial position. Accordingly, some of the statements contained in this analysis, including those regarding future results and performance, are forward-looking statements based on current expectations, within the meaning of securities legislation. These statements are characterized by the use of positive or negative verbs such as forecast, anticipate, evaluate, estimate, believe and other related expressions.

By their very nature, forward-looking statements involve risks and uncertainties. Results or the measures adopted by Boralex could therefore differ materially from those indicated or underlying such statements, or could have an impact on meeting a specific forecast. The main factors that may lead to a material difference between Boralex's actual results and the forecasts or expectations set forth in the forward-looking statements include, but are not limited to, the general impact of economic conditions, the availability and the increases in the costs of raw materials, currency fluctuations, volatility in the selling price of electricity, Boralex's financing capacity, adverse changes in general market conditions and regulations affecting the industry, as well as other factors described in the sections on risks factors and uncertainties which are contained in the MD&A for the year ended December 31, 2013. Unless otherwise specified by the Corporation, forward-looking statements do not take into account the possible impact on its operations, transactions, non-recurring or other special items announced or occurring after the statements are made.

There can be no assurance as to the materialization of the results and returns or achievements discussed or implied in forward-looking statements. Even if Boralex considers that the assumptions underpinning the forward-looking statements are reasonable, the reader is urged not to give undue reliance on such forward-looking statement. 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. Date of the annual information form

This Annual Information Form is dated March 13, 2014. All information contained in this Annual Information Form is as of December 31, 2013, 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* pursuant to Articles of Incorporation confirmed by a Certificate of Incorporation.

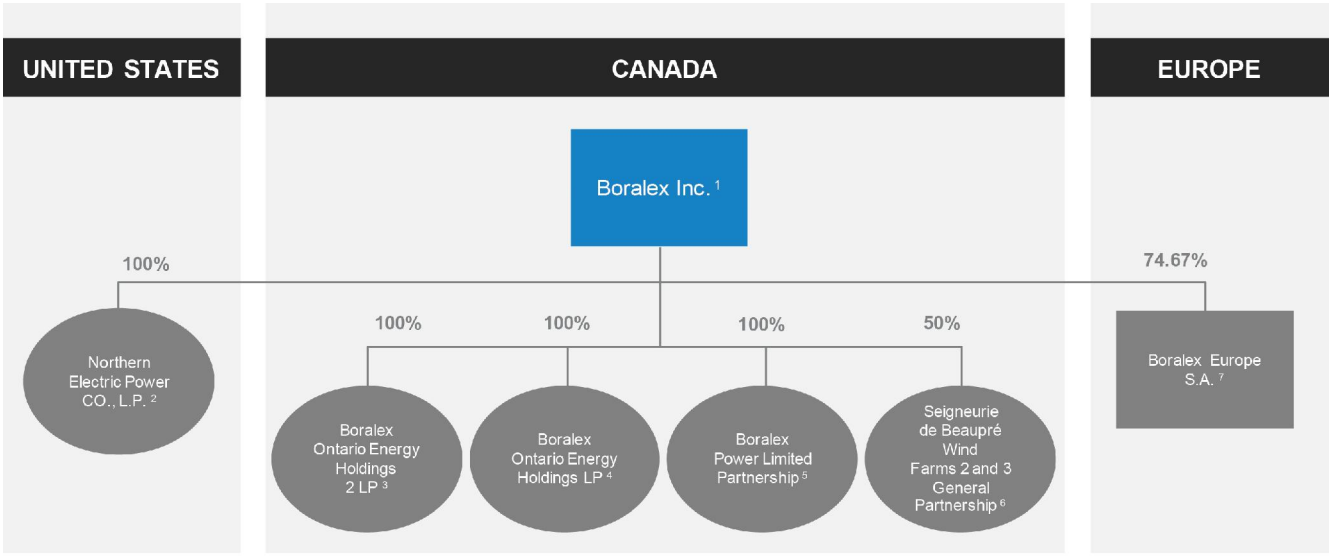
Certificates of Amendment were subsequently issued to the Corporation primarily in order to amend its authorized capital, its corporate name and the place of its registered office.

The registered office of the Corporation is located at 36 Lajeunesse Street, Kingsey Falls, Québec, J0A 1B0. Boralex also has administrative offices located at 772 Sherbrooke Street West, Suite 200, Montréal, Québec, H3A 1G1.

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

Inter-corporate relationships

The following diagram sets out the direct and indirect structural ties which exist between the Corporation and its principal subsidiaries that own directly or indirectly the main assets of the Corporation at the date of this Annual Information Form:



[1] **Jurisdiction of incorporation: Canada**
[2] **Jurisdiction of creation: New York**
This entity owns the Hudson Falls hydroelectric plant of 46 MW.
[3] **Jurisdiction of creation: Québec**
This entity owns indirectly the 5 wind farm projects of Thames River II of 10 MW each.
[4] **Jurisdiction of creation: Québec**
This entity owns indirectly the 4 wind farm projects of Thames River I of 10 MW each.
[5] **Jurisdiction of creation: Québec**
[6] **Jurisdiction of creation: Ontario**
[7] **Jurisdiction of incorporation: Luxembourg**
This entity holds indirectly all of Boralex's european projects.

5. General development of the business

Boralex is a power producer whose core business is dedicated to the development and the operation of renewable energy power stations. Currently, the Corporation operates an asset base with an installed capacity of more than 650 MW in Canada, France and the Northeastern United States. Boralex is also committed under power development projects, both independently and with Canadian and European partners, to add approximately 250 MW of power that will be put in service by the end of 2015. With more than 200 employees, Boralex is known for its diversified expertise and in-depth experience in four power generation types — wind, hydroelectric, thermal and solar. Boralex's shares and convertible debentures are listed on the Toronto Stock Exchange under the ticker symbols BLX and BLX.DB, respectively.

Three year history

2011

On January 26, 2011, Boralex announced the receipt of 784,796 shares of AbitibiBowater worth close to $23 million according to the stock price at the close of the TSX on January 25, 2011. This compensation is payable following a partial settlement of a claim of about $83 million as negotiated under the AbitibiBowater C-36. On February 1, 2011, Boralex sold its shares on the market and received proceeds of $20.8 million.

On June 9, 2011, Boralex and the RCM of La Côte-de-Beaupré signed an electricity supply agreement for a period of 20 years with Hydro-Québec Distribution for the community wind energy project La Côte-de-Beaupré. The wind power project, with an installed capacity of 25 MW, will be commissioned at the end of 2015.

That same day, Boralex and the RCM of Témiscouata signed an electricity supply agreement for a period of 20 years with Hydro-Québec Distribution for the community wind energy project Témiscouata. The wind power project, with an installed capacity of 25 MW, will be commissioned at the end of 2014.

On June 16, 2011, Boralex commissioned the Avignognet-Lauragais solar site with an installed capacity of 5 MW.

On November 7, 2011, Boralex has signed a binding agreement with ReEnergy Holdings LLC for the sale of its wood-residue power stations in the United States, with an installed capacity totalling 186 MW, for a consideration of approximately US$93 million (subject to working capital post-closing adjustments), the net amount of related taxes being about US$81 million.

On November 8, 2011, Boralex, Gaz Métro Limited Partnership ("Gaz Métro") and Valener Inc. ("Valener") announced the closing of a non-recourse project financing of $725 million of the first 272 MW of the Seigneurie de Beaupré wind farms, located 60 km northeast of Québec City on the private property of Séminaire de Québec. Gaz Métro and Valener indirectly hold interests in Seigneurie de Beaupré Wind Farms 2 and 3 General Partnership through Beaupré Éole General Partnership. This first development phase of this site includes 126 Enercon turbines, is bound by a 20-year power purchase agreements with Hydro-Québec and were slated to start up by December 2013. This schedule has been respected.

On December 20, 2011, Boralex completed the sale of its US wood-residue assets to ReEnergy Holdings LLC for a consideration of approximately US$88 million to which will be added approximately US$5 million from the sale of the 2011 *Renewable Energy Certificates*, which remain the property of Boralex.

2012

On March 27, 2012, Boralex announced the acquisition of rights for the construction of a wind project in Québec with an installed capacity of 50 MW. Boralex intends to build the wind farm, which will consist of 22 wind turbines, on public lands in Saint-Elzear-de-Témiscouata and Saint-Honoré-de-Témiscouata, juxtaposed with the 25 MW community project developed in partnership by Boralex and the RCM of Témiscouata. Boralex acquired from another developer, with the consent of Hydro-Québec Distribution, this electricity supply agreement with an operation period of 20 years. This contract was originally awarded in the context of a call for tenders by Hydro-Québec Distribution in 2008 for 2,000 MW of wind energy. Commissioning is scheduled for the end of 2015. The simultaneous development of these two wind projects will create synergies beneficial to their success. Construction of this 50 MW project will lead to the use of the full potential of the site.

On June 5, 2012, Boralex announced the signing of a share purchase agreement in order to acquire a 32 MW wind project, La Vallée, in the region of Indre, France. This project consists of 16 Gamesa G90 wind turbines of 2 MW each. The total investment amounts to $55 million (€43 million). All the energy produced is sold to Électricité de France ("EDF") pursuant to a long-term contract with a term of 15 years.

On June 28, 2012, Boralex announced the closing of a series of transactions under the terms of which it acquired, through its subsidiary Boralex Europe S.A., a wind farm operating 34.5 MW, the St-Patrick wind farm. This wind farm was acquired from AES Corporation. Three fully authorized wind projects representing 56 MW of installed capacity have been acquired from InnoVent SAS, for a total of $45 million (€34 million). The St–Patrick wind farm and these fully authorized three wind projects are located in Nord-Pas-de-Calais and Picardie, which reinforces the presence of Boralex in these regions. The St-Patrick wind farm was commissioned between July 2009 and February 2010. The total energy produced is sold to EDF under long-term contracts expiring in 2024 and 2025.

Boralex also entered into a development agreement with InnoVent SAS, a French company specializing in the development of wind farm projects. This five-year agreement will provide Boralex acquisition options for an additional 130 MW of wind farm projects currently under development in France.

On October 25, 2012, Boralex completed the acquisition of a run of the river hydroelectric project of 22 MW near Gold Bridge, British Columbia, the Jamie Creek Project. This project will require an investment of approximately $60 million and is expected to produce approximately 70 GWh annually. Construction of the project, previously held by Sequoia Energy Inc. ("Sequoia"), has commenced and commercial operation is scheduled for the beginning of 2014. Boralex and Sequoia are collaborating throughout, from construction to commissioning, to meet the expectations of stakeholders and First Nations. This project benefits from a contract to purchase electricity for a period of 40 years with BC Hydro, which includes a renewal option of 20 years.

On November 8, 2012, Boralex announced the closing of the acquisition announced on June 5th, namely the acquisition by its subsidiary, Boralex Europe S.A., of the La Vallée wind project with an installed capacity of 32 MW.

2013

On January 24, 2013, Boralex announced that its subsidiary, Boralex Europe S.A., had closed a long-term financing of a 26 MW portion of the La Vallée wind project, totalling €33 million ($43 million). This financing is being underwritten by a French banking consortium composed of OSEO, Crédit Coopératif and Crédit Mutuel ARKEA. The financing of the remaining 6 MW was completed in April 2013. The loan is amortized on a term of 15 years, at a rate of approximately 4.5% for the entire duration of the loan. The electricity provided by the La Vallée wind site is sold to EDF through long-term contracts covering a 15-year term. The commercial commissionning of the La Vallée wind site was conducted in two phases in December 2013.

On June 27, 2013, Boralex completed the long-term refinancing of its American debt, amounting to US $90 million, which was secured by two of its American power plants, Hudson Falls and South Glens Falls, both located in the state of New York and both having an installed capacity of respectively 46 and 14 MW. This refinancing allowed the Corporation to reimburse its initial US$70.7 million debt that was encumbering its assets, to fund the necessary debt-reserves, and finally to free-up an amount in order to support its development projects. The non-recourse financing, organized by Bank of America Merrill Lynch and TD Securities, bears interest at the annual rate of 3.51% fully amortized by semi-annual payments over a period of 12 years. The disbursement was then made on September 3, 2013, the maturity date of Boralex's initial American debt.

On August 6, 2013, Boralex announced the closing of the long-term financing of the 22 MW Jamie Creek hydroelectric project, situated close to Gold Bridge in British Columbia, Canada, provided by Canada Life Assurance Company and Great West Life Assurance Company for a total of $55.3 million. The loan benefits from a 9-year grace period for the reimbursement of the principal and will be amortized on a 31-year term at an interest rate of approximately 5.42% for the full term of the loan. Jamie Creek is currently under construction and the commissionning is planned for the beginning of 2014.

On the same date, Boralex also announced the closing of the long-term financing of the 8 MW Vron wind site, provided by the German bank *SAAR LB* for a total of €14 million ($19 million). The loan, amortized over a 15-year term, bears an interest rate at approximately 4% for the full term of the loan. The electricity produced at the Vron wind site is sold to EDF through long-term contracts covering a 15-year term. The wind power project was commissionned in September 2013.

On October 29, 2013, Boralex, Gaz Métro and Valener announced the completion of its $166.1 million non-recourse financing, allowing for the entire financing of the 68 MW phase II, in light of the investments and commitments of the partners, Boralex, Gaz Métro and Valener. The financing consists of (1) one construction loan of $142.4 million, which will be converted in a fixed-rate term loan, amortized on 19.5 years after the beginning of its commercial operations scheduled for December 2014, and (2) a short-term bridge financing, and a letter of credit facility, for a total of $23.7 million, allowing the funding of certain costs incurred during the construction, which are reimbursable by Hydro-Québec, as well as the emission of several letters of credit. The group of lenders is composed of Sun Life Financial, KfW IPEX-Bank, Industrial Alliance Insurance and Financial Services Inc. The construction of phase II started in 2013 with the construction of access roads, the foundations of the wind turbines, as well as the majority of the power collector systems. In 2014, the work will continue to finish the construction of the power collector systems, the setting up of the towers, the assembling of the turbines, and the installation of the substation electric equipment.

With regards to the Phase I of the Seigneurie de Beaupré wind farms, Boralex, Gaz Métro, and Valener announced on November 28, 2013, that the first 131 MW will be commercially commissioned within the projected timeframe. Followed on December 11, 2013, the announcement of the commercial commissioning of an additional 141 MW, thus completing the first 272 MW phase of the wind site and allowing the Québec Consortium to supply the Québec power grid over the next 20 years.

6. Description of the business

Principal Financial Information

In thousands of dollars, unless otherwise specified	IFRS		Proportionate Consolidation[5]	
	2013	2012	2013	2012
INSTALLED CAPACITY (MW)	652.0	476.0	652.0	476.0
ELECTRICITY DELIVERIES (MWh)	**1,452,544**	**1,521,421**	**1,474,625**	**1,521,421**
Wind power stations	682,136	632,422	704,217	632,422
Hydroelectric power stations	621,094	572,513	621,094	572,513
Thermal power stations	143,369	310,170	143,369	310,170
Solar power station	5,945	6,316	5,945	6,316
FINANCIAL PERFORMANCE				
Revenues from energy sales[1]	**169,023**	**181,440**	**171,395**	**181,440**
Wind power stations	85,109	74,654	87,481	74,654
Hydroelectric power stations	53,756	47,748	53,756	47,748
Thermal power stations	27,446	56,355	27,446	56,355
Solar power station	2,712	2,683	2,712	2,683
EBITDA [2][1]	**98,137**	**98,357**	**101,836**	**98,238**
Wind power station	66,594	60,935	69,957	60,816
Hydroelectric power stations	40,413	36,752	40,413	36,752
Thermal power stations	3,010	14,558	3,010	14,558
Solar power station	2,379	2,312	2,379	2,312
Corporate and eliminations	(14,259)	(16,200)	(13,923)	(16,200)
Net earnings (loss) attributable to Boralex shareholders	**(3,838)**	**(5,115)**	**(4,192)**	**(5,115)**
Continuing operations	(5,612)	(8,836)	(5,966)	(8,836)
Discontinued operations	1,774	3,721	1,774	3,721
Net loss per share (basic and diluted) attributable to Boralex shareholders (in dollars)	**(0.10)**	**(0.14)**	**(0.11)**	**(0.14)**
Continuing operations	(0.15)	(0.24)	(0.16)	(0.24)
Discontinued operations	0.05	0.10	0.05	0.10
Cash flows from operations [3][1]	**50,916**	**47,721**	**51,180**	**47,665**
FINANCIAL POSITION				
Working capital before current portion of non-current debt	118,629	93,146	169,506	95,373
Property, plant and equipment	799,213	689,024	1,179,653	812,830
Total assets	1,422,727	1,229,871	1,791,440	1,323,164
Borrowings [4]	662,948	522,186	977,993	593,660
Convertible debentures	229,578	226,299	229,578	226,299
Total equity	386,134	342,369	385,780	342,369

(1) Excluding discontinued operations.

(2) Earnings before interest, taxes, depreciation and amortization. EBITDA 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.

(3) 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.

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

(5) This Principal Financial Information has been prepared on a proportionate consolidation basis. The results of Seigneurie de Beaupré Wind Farms 2 and 3 General Partnership and Seigneurie de Beaupré Wind Farm 4 GP, which are 50% owned by Boralex, were proportionately consolidated instead of being accounted for using the equity method as required by IFRS. Since the information that Boralex uses to perform internal analyses and make strategic and operating decisions is compiled on a proportionate consolidation basis, management has considered it relevant to present results according to this method to help investors understand the concrete impacts of decisions made by the Corporation.

Independent power generation

In the independent power generation sector, electricity is generated from a number of sources, including: (a) water; (b) natural gas; (c) coal; (d) waste products, such as wood residue from forest products operations and landfill gas; (e) geothermal sources, such as heat or steam; (f) the sun; and (g) wind.

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.

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 Government of Québec adopted, in May 2006, a new Québec Energy Strategy (the "Strategy") defining goals and actions for the period from 2006 to 2015. Pursuant to 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 over the next few years. In addition, the Government's energy Strategy foresees 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 currently in force. The cost of electric power over and above the "heritage electricity pool" (approximately 165 TWh) is determined by way of call for tenders governed by a procedure and a code of ethics subject to the Régie's approval which also monitors compliance. Under the terms of these call for tenders, the supply contracts will be 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 finally a supplementary request of 500 MW in 2009. Currently, nearly 3,300 MW of wind energy have been attributed to independent promoters.

In May 2013, the Québec Government announced the allocation of 800 MW of new wind power projects, of which 150 MW are reserved for the aboriginal communities of the Mi'gmawei Mawiomi group pursuant to Bill 25 assented to on June 14, 2013 and 200 MW are reserved for Hydro-Québec Production. The remaining 450 MW are divided as follows: 300 MW for projects based in Gaspésie and Bas-Saint-Laurent and 150 MW for Québec as a whole. These contracts will be awarded through call for tenders A/O 2013-01 initiated by Hydro-Québec Distribution on December 18, 2013 following the adoption by the Québec Government, on November 6, 2013, of the *Regulation respecting a 450 MW block of wind energy* (Order-in-Council 1149-2013) (the "Regulation 1149-2013") and *Order-in-Council 1150-2013 respecting the economic, social and environmental concerns mentioned to the Régie de l'énergie in connection with a 450 MW block of wind energy*. The participation in A/O 2013-01 is reserved for any electricity supplier that demonstrates that the local community holds a stake representing 50% or more of the control of the project and the deadline for submitting proposals is September 3, 2014. This additional installed capacity would allow the province to reach its goal to develop 4,000 MW of installed wind power capacity.

Québec hydroelectric and wind power plants

Each of the hydroelectric and wind power plants that the Corporation operates in Québec supply 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 by the PPA for the energy made available throughout the year.

In the case 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 the PPA, on wind energy there is no minimum or maximum increase. The price is usually indexed to the CPI in a certain proportion.

Hydro-Québec pays for the electricity supplied monthly pursuant to the tariffs and conditions provided in each PPA in the 21 business days from the receipt of the bill.

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 initial duration and subject to conditions to be negotiated, notably with regards to the viability of the power plant and to the power purchase price, the whole subject to a material default of the supplier and to a feasibility study of the power plant for this new term.

Statutory royalties

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. In accordance with the requirements of the Regulation 1149-2013, all wind projects accepted under the terms of the A/O 2013-01 must pay, according to a written agreement, the local municipality, the regional county municipality ("RCM") or the native community hosting the project, an amount of $5,000 per MW installed in the territory of such local municipality, RCM or native community.

British Columbia power industry

Overview

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.

Since the 1980's, BC Hydro has been acquiring power from independent power producers ("IPPs") in order to satisfy British Columbia's electricity needs. As of October 1, 2013, BC Hydro had 82 Electricity Purchase Agreements in its supply portfolio, representing almost 15,317 GWh of annual energy and over 3,553 MW of capacity. In order to acquire electricity from the private sector, primarily IPPs, BC Hydro employs either competitive calls, standards or open offers, or bilateral arrangements.

Regulatory framework

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 continues to promote clean energy by providing, among other things, that all new electricity generation projects have zero net greenhouse gas emissions.

In 2010, British Columbia legislature 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.

Ontario power industry

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 wholesale energy market is operated by the *Independent Electricity System Operator* ("IESO"), which is also responsible for the operation and the reliability of the power system. The energy trader in the wholesale market are at market price, determined for five minute dispatch intervals on the basis of the offers presented by the generators for every hour of the day, and bids from dispatchable load facilities. The market price is uniform everywhere in 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 contracted supply is bought by the *Ontario Power Authority* ("OPA"), a non-share capital corporation created by the Ontario government in 2004 to ensure long term adequacy of supply in Ontario. OPA is the counterparty to a portfolio of long term power purchase agreements with the generators. The OPA holds, as of June 30, 2013, contracts for 22,234 MW of electricity generation; including 3,595 MW of wind powered energy, which is currently being developed. Consumers pay a Global Adjustment charge reflecting the difference between the wholesale market price and the rates paid to the regulated generators and those under contract (and for conservation and demand management programs).

As of October 23, 2013, Ontario had a 36,013 MW of installed electricity generation capacity, broken down as follows: nuclear – 12,947 MW or 37.0%; gas – 9,920 MW or 28.40%; coal – 2,291 MW or 6.6%; hydro – 7,939 MW or 22.7%; wind power – 1,725 MW or 34.95%; and other (wood waste, biogas, etc.).

Since 2004, the contracted supply was procured by the OPA using a competitive procurement process. The OPA later instituted standard offer procurement programs, and, in 2008, a European style *feed-in-tariff* ("FIT") for the purchase of renewable energy generation. The FIT program continues in a revised form. The amendments made in 2013 restrict the availability of FIT contracts to renewable energy production with a rated electricity production capacity higher than 10 kilowatts ("KW") and generally up to 500 KW. The OPA is currently developing a new competitive procurement process for large renewable energy projects (for example, more than 500 KW).

The *Ontario Energy Board* ("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*. Its role is essential in the operation of Ontario's energy markets. It determines the rates charged by the regulated transporters

and distributors, grants licences to all market participants (including the producers and the IESO), approves the construction of new transport and distribution facilities, and formulates rules to govern the conduct of market participants.

It monitors the electricity market and submits reports on the efficiency of these markets to the Minister of Energy. It is also intended to serve as an appeal tribunal for certain decisions of the IESO.

The installation and the inspection of the electric equipment in Ontario is governed by the *Electrical Safety Authority* ("ESA") established under the *Electricity Act, 1998*. The ESA carries out its statutory mandate by preparing and issuing plans and specifications governing the design, construction and the testing of electrical facilities. Finally, the regulations established pursuant to the *Electricity Act, 1998* have adopted, as the Electrical Safety Code, the code issued by the Canadian Standards Association entitled *Canadian Electrical Code, Part I, CC22.1-02*, as amended by the document entitled *Ontario Amendments to the Canadian Electrical Code, Part I, C22.1-02*. Any act or omission in relation to the generation, transportation, distribution, retail selling or use of electricity in Ontario must be in accordance with the Electrical Safety Code.

In December 2013, the Ontario Ministry of Energy (the "Ministry") launched its long term Energy Efficient Plan (the "Plan"), entitled "Achieving Balance", replacing the 2010 version from which it is largely inspired. The Plan's stated intention is to balance five guiding principles: cost-effectiveness, reliability, clean energy, community engagement, and an emphasis on demand management before building a new production. The Province of Ontario is on track to meet its target to eliminate carbon based energy production by the end of 2014. Under the Plan, nuclear energy will remain the largest component of Ontario's energy mix. However, the Ministry plans to continue to introduce wind energy, solar energy, and bioenergy with a new 10,700 MW production by 2021. The target for hydroelectricity is increased to 9,300 MW by 2025, thus allowing renewable energy sources to take up more than half of the province's installed capacity by 2025.

United States power industry

Overview

The Federal Energy Regulatory Commission ("FERC"), an independent agency of the United States Department of Energy, regulates the transmission of natural gas, oil, 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"); it also has the enforcement authority to evaluate penalties for violations under the FPA.

The FERC is also responsible for the implementation of certain amendments to the FPA made by the P*ublic Utility Regulatory Policies Act of 1978* ("PURPA"), which was passed by the United States Congress in response to concerns that the United States was too dependent on foreign oil. PURPA provided for the supply of electricity to utilities by qualifying small power production facilities and qualifying cogeneration 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 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 to encourage cogeneration and small scale power production, which require electric utilities to offer to sell electric energy to (including emergency backup power), and to purchase electric energy from, such facilities 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 introduced a much increased level of competition into the U.S. wholesale power industry, 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 Investor Owned Utilities ("IOUs") 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 non-utility power producers, "exempt wholesale generators", which exempted a larger class of electricity generators from federal utility ownership and financing regulations imposed by the *Public Utility Holding Company Act of 1935* ("PUHCA 1935").

The wholesale electricity market was significantly restructured in the 1990's as the FERC exercised these powers. 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. Order 889, also issued in 1996, requires jurisdictional utilities to publicly post real time information about their transmission capacity availability and pricing. In 2007, 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, FERC issued Order 1000 which reformed its electric transmission planning and cost allocation rules for electric utilities that own and operate transmission facilities. As a result of these

and subsequent orders, procedures for interconnecting with, and utilizing transmission capacity on, electric transmission systems have been largely standardized, with transmission utilities performing a type of regulated, common carrier service.

At the same time, many states were requiring their vertically integrated, regulated electric utilities to sell some or all of their generation businesses, leaving regulated transmission and distribution utilities to purchase power in competitive wholesale markets while allowing retail customers to transact directly with power suppliers. The combination of open access transmission services and increasing numbers of non-utility power generators has led to the formation of regional transmission organizations ("RTOs") and of independent system operators ("ISO"), for example, the *New York Independent System Operator, Inc.* ("NYISO") in which the hydroelectric power plants of the Corporation are located ("ISO/RTO". These ISO/RTOs operate regional or inter-state transmission systems and administer financial and physical clearing markets for competitive wholesale energy, capacity and other ancillary services. The ISO/RTOs are not uniform in their market rules and approaches, and they continue to experiment with different methods to improve market efficiencies and encourage timely capacity additions, all under FERC's oversight.

In August 2005, the United States Congress enacted the *Energy Policy Act of 2005* ("EPACT 2005"). EPACT 2005 repealed PUHCA 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. EPACT 2005 (and FERC's resulting regulations) also moved to integrate QFs with other types of non-utility power generators by eliminating certain exemptions from federal regulations for QFs that are greater than 20 MW in size and terminating 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, as the markets operated by NYISO. EPACT 2005 also amended the range of jurisdictional transactions that require prior FERC approval under Section 203 of the FPA to include the purchase or acquisition of an existing generation facility, or any security of a public utility, that has a value in excess of $10 million. More importantly, EPACT 2005 expanded and extended the availability of federal tax credits to a variety of renewable energy technologies, including wind, solar, geothermal, small hydropower, landfill gas and biomass-based generators.

New York State

The implementation of PURPA in 1978 also initiated the transformation of electricity generation in New York State from IOU based 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 implementing of retail tariffs.

France power industry

Overview

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 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 *loi 2000-108 du 10 février 2000 relative à la modernisation et au développement du service public de l'électricité* (as amended by *loi n° 2003-8 du 3 janvier 2003 relative aux marchés du gaz et de l'électricité et au service public de l'énergie*). 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 *loi 9 août 2004 relative au service public de l'électricité et du gaz et aux entreprises électriques et gazières* and by *loi du 7 décembre 2006 relative au secteur de l'énergie*. The legislation which was enacted to embody these European directives in French law maintain the public power utilities, and in particular, in connection with the promotion of the use of renewable sources of energy and cogeneration, the rate applicable to EDF and NND's obligations to purchase electricity generated from these sources.

On April 23, 2009, *European Directive 2009/28/CE* (replacing namely *Directive 2001/77/CE*) on the promotion of the use of energy from renewable sources was adopted. It reaffirms the European Union's and each member-State's commitment:

(a) to reduce by 20% greenhouse gas emissions compared to 1990 levels,

(b) to increase to 20% the share of renewable energies, and

(c) to improve by 20% energy efficiency.

This directive is binding on governments (i.e. those who will not reach their objectives by 2020 will be penalized by the European Union). It also provides targets for 10 years from 2010 to 2020 and regular reporting to the European Commission.

Efforts will have to be made in all energy industries and, of course, in the electric power industry. This guideline namely provides priority access to the electrical grid for the power plants using renewable energy.

On December 12, 2013, the government of France launched a consultation on the evolution of the support system for renewable energy. This consultation should reasonably lead to a convergence of certain market mechanisms particularly for new wind farms. However, that could be established only after 2020. As part of this consultation, France reaffirmed its renewable energy objective by 2020, namely 23% of gross end-user energy consumption.

On March 20 and 21, 2014, the European Council expects to make a decision on the 2030 European objectives. It has not been decided if these objectives will focus only on a commitment to reduce CO_2 emissions or if it will be a triple objective like those of 2020 (CO_2, renewable energy and energy efficiency).

In this context, on January 22, 2014, the European Commission communicated its 2030 proposed objectives to be adopted at the Council on March 20th and 21st to the European states:

(a) 40% reduction of greenhouse gas emissions compared to the 1990 level;

(b) 27% increase of renewable energy (binding target at the European Union level, but not for every state); and

(c) improving energy efficiency for which the target will be set during the review of the directive on energy efficiency.

Regarding CO_2, it is expected that since 2013 (3rd phase of the CO_2 market in Europe), a portion of the allocations will no longer be free anymore, but will have to be obtained through auctions implemented by the states. The proportion of quotas not allocated free of charge is different for each industrial sector and will increase between 2013 and 2020. In the electricity generation sector including cogeneration, there are no more quotas allocated free of charge for the electricity part. From this, cogeneration only benefits from quotas for the thermal energy part of energy production.

Wind energy

For wind energy, the *loi du 10 février 2000* originally provided (in June 2001) a limit of 12 MW per production site. Since the *loi 2005-781 du 13 juillet 2005 de programme fixant les orientations de la politique énergétique*, i.e. the "*Loi Pope*", it is possible to develop sites without power limits and benefit from the wind purchase obligation rates (reviewed by Ministerial Order dated November 17, 2008); provided it is in a wind energy development area. This limit was lifted by the *loi 2013-312 du 15 avril 2013 visant à préparer la transition vers un système énergétique sobre et portant diverses dispositions sur la tarification de l'eau et sur les éoliennes*, i.e. the "*Loi Brottes*", and any wind energy generation provided to the grid can benefit from a contractual purchase obligation by EDF or an NND. This Act abolished the rule that required a minimum size of five wind turbines per wind farm. Other simplifications are expected under the "*choc de simplification*" announced by the President of the Republic.

The Grenelle Environment process launched in 2007 led to a second law on "national environmental obligations", promulgated on July 12, 2010. This law contains new provisions for the development of new wind farms in France: Classification of turbines as Classified Installations for Environmental Protection, minimum distance of 500 meters from inhabited areas, installation of 500 wind turbines per year at a minimum.

An appeal against *Arrêté du 17 novembre 2008 fixant les conditions d'achat de l'électricité produite par les installations utilisant l'énergie mécanique du vent* was filed by an anti-wind-energy association before the *Conseil d'État*. The latter, in a decision dated May 15, 2012, rejected all the arguments put forward except the one relating to the question of state aid remitted to the European Union Court of Justice ("ECJ"), an issue that could invalidate the tariff order dated November 17, 2008. The ECJ answered in the affirmative in December 2013 to the question regarding whether the French mechanism to offset additional costs resulting from obligations to purchase electricity generated by wind is within the concept of state intervention using state resources. The decision of the *Conseil d'État* is expected in the first half of 2014 and is likely to cancel *Arrêté du 17 novembre 2008*, however, without impacting current contracts. In parallel to this process, the French government indicated on October 14, 2013 that it notified the European Commission that an identical tariff order to be able to put back in place a legal framework after the decision of the *Conseil d'État*.

Solar energy

In the photovoltaic solar energy sector, the rate is set by the March 4, 2011 Tariff Order and does not allow industrial sized installations the required profitability.

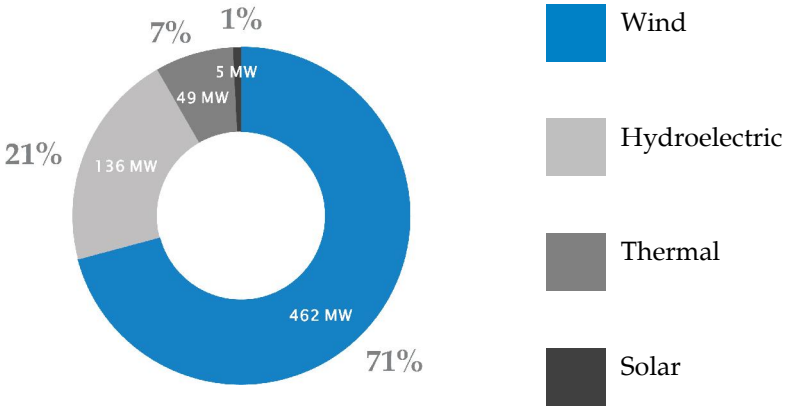
A support system via call for tenders was also implemented, on the basis of an annual target volume, initially set at 500 MW, and then doubled in 2013. Of the annual target of 1,000 MW, more than half is presently dedicated to call for tenders:

- 120 MW for simplified call for tender procedures;
- 400 MW for call for tender procedures higher than 250 kWc.

In the context of call for tenders, the candidates offer a purchase price in €/kWh. The procedure for the selection of the candidate's files and commitments are specified in the books of specifications. Boralex is considering filing an offer in future calls for tenders, for projects it developed and for which it has the authorizations.

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. As of December 31, 2013, 284 wind turbines of the Corporation were located in France, in Québec and in Ontario.

Hydroelectric power

The Corporation owns 14 hydroelectric power stations which are flexible and environmentally friendly power generation tools, since they are run on 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 operates one wood residue thermal power station in Québec and one cogeneration power plant powered by natural gas located 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 owns a solar power station located in France.

Description of the facilities of the corporation

Wind power stations

Power Station	Location	Installed Capacity (MW)
Ally-Mercoeur	France	39.0
Avignonet-Lauragais (I and II)	France	12.5
Cham Longe (I and II)	France	22.5
Chépy	France	4.0
La Citadelle	France	14.0
Nibas	France	12.0
Plouguin	France	8.0
Ronchois	France	30.0
Chasse-Marée	France	9.0
Le Grand Camp	France	10.0
St-Patrick	France	34.5
Vron	France	8.0
La Vallée	France	32.0
Seigneurie de Beaupré Wind Farm – phase I*	Québec, Canada	136.0
Thames River	Ontario, Canada	90.0
Total :		**461.5**

Hydroelectric power stations

Power Station	Location	Installed Capacity (MW)
Fourth Branch	New York, USA	3.0
Middle Falls	New York, USA	2.5
New York State Dam	New York, USA	11.5
Sissonville	New York, USA	3.0
Warrensburg	New York, USA	3.0
Hudson Falls	New York, USA	46.0
South Glen Falls	New York, USA	14.0
Ocean Falls	British Columbia, Canada	14.5
East Angus	Québec, Canada	2.0
Forestville	Québec, Canada	12.5
Rimouski	Québec, Canada	3.5
Beauport	Québec, Canada	4.5
St-Lambert	Québec, Canada	6.0
Buckingham	Québec, Canada	10.0
Total :		**136.0**

Thermal power stations

Power Station	Location	Installed Capacity (MW)
Senneterre (wood residue)	Québec, Canada	35.0
Blendecques (natural gas cogeneration)	France	14.0
Total :		**49.0**

Solar site

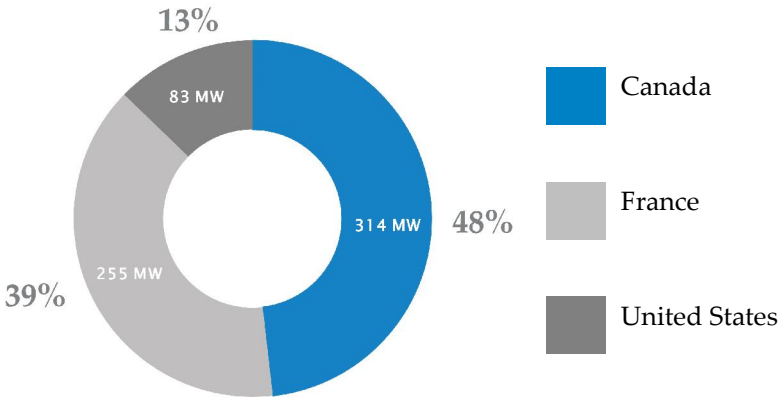
Power Station	Location	Installed Capacity (MW)
Avignonet-Lauragais	France	5.0
Total :		**5.0**

	Installed Capacity (MW)
Grand total:	**651.5**

*(Net ownership of Boralex)

Major markets, distribution and sale of electricity

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



In the province of Québec, Hydro-Québec holds a quasi-monopoly on the distribution and sale of electricity. Although deregulation of the energy sector has given private producers access to Hydro-Québec's electricity transmission system, the transition towards a more open market has not yet been completed.

As at December 31, 2013, the Corporation had four customers accounting for more than 10% of the Corporation's revenues: 17% were to Hydro-Québec (18% including Boralex's share in the earnings of Seigneurie de Beaupré Wind Farms 2 and 3 General Partnership), 19% to Ontario Power Authority, 16% to Niagara Mohawk Power Corporation and 37% to EDF. In 2012, four customers also accounted for more than 10% of the Corporation's revenues, as follows: 22%, 17%, 13% and 30%.

The production sites located in the province of Québec sell their electricity to Hydro Québec under renewable long-term agreements having initial terms of 20 or 25 years.

Competitive conditions

The competitive conditions that the Corporation faces primarily result from the fact that its activities are mainly dependent on the call for tenders 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*.

More specifically in Québec, the industry being highly regulated, the Corporation is subject to Hydro Québec's quasi monopoly.

The French market it is still subject to the application of the *Loi de modernisation du service public de l'électricité* of February 10, 2000. Through EDF, this Act specifies the purchasing conditions for electricity produced by private producers. The electricity produced by the wind power facilities of the Corporation is accordingly sold to EDF (95.2 % in 2013) and the So*ciété Coopérative d'Intérêt Collectif Agricole de la region de Pithiviers* ("SICAP") (4.8 % en 2013).

Availability of raw materials

The sites owned or managed by the Corporation are powered by five resources convertible into energy: (a) wind; (b) water; (c) wood residue; (d) natural gas; and (e) sun.

The amount of energy generated by the sites is dependent upon the availability to Boralex of water flows, wood residue, natural gas, wind or of solar radiation as the case may be. There can be no assurance that availability of such resources remains unchanged in the long term. Revenues from hydroelectric power stations may be significantly affected by events that impact the hydrological conditions of the hydroelectric power stations, such as low and high water flows within the watercourses on which the power stations are located. In the event of severe flooding, the hydroelectric power stations may be damaged.

Seasonal activities and economic dependence

We refer you to the section on "Risk Factors and Uncertainties" in the Corporation's discussion and analysis for the year ended December 31, 2013, which is incorporated by reference herein.

Foreign activities

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.

The U.S. market is deregulated. A substantial part of the transactions are carried out through regional producers' associations, such as the *New York Independent System Operator* 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 their customers 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 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 that will gradually affect some of the Corporation's hydroelectric work. The St-Lambert power plant, which is in conformity as of December 31, 2013, is not taken into consideration as it is located on the Saint Laurence Seaway. As such, the law is not applicable to it. Depending on the region where the power plants are located, the dams must conform to certain criteria defined in this law. The application of the law should take place gradually. When the recommendations proposed by the Corporation are accepted by the Minister of Sustainable Development, Environment and Parks, a timetable will be established given the relative urgency of the works.

With regards to the Buckingham facility, Québec, Canada, during fiscal year 2014, Boralex expects to commence work in order to comply with the *Dam Safety Act*. Concurrently with this work, management is still reviewing various investment scenarios aiming to increase the power station's current installed capacity by up to 10 MW.

Employees

As at December 31, 2013, the Corporation had more than 200 employees. When necessary, the Corporation uses external resources to complement the expertise of internal employees.

Risk factors

Reference is made to the Corporation's Management's Discussion and Analysis for the fiscal year ended December 31, 2013, specifically under the heading "*Risk Factors and Uncertainties*", which section is incorporated by reference herein.

7. Dividends

On February 19, 2014, the Corporation announced its first ever dividend, namely a quarterly dividend of $0.13 per Class A common Share payable on March 17, 2014. Boralex, at the sole discretion of the Board of Directors, expects to pay common share dividends on an annual basis that will represent in the medium term 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 less reimbursements of project-related debt). The Corporation has not declared a dividend in the last three financial years. The Corporation does not face any restrictions that would prevent it from paying out dividends or distributions. There are some restrictions on distributions received from the subsidiaries of the Corporation where such subsidiaries are subject to non-recourse project financing. The common practice for this type of financing is to limit distributions to parent companies where the subsidiary is in default under its loan agreement or if the subsidiary does not meet a minimum coverage ratio of debt service. The Corporation and its subsidiaries have not suffered any of these limitations in the last three years. It should be noted that if one or more subsidiaries were to suffer from these limitations, that would not in any way affect the ability of the Corporation to determine independently its dividend policy.

8. Capital structure

Shares

The share capital of Boralex is composed of an unlimited number of Class A Shares, 37,767,855 of which were issued and outstanding as at December 31, 2013 and an unlimited number of Preferred Shares, none of which had been issued as at December 31, 2013. The Class A Shares are without 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 have no par value and 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

The convertible debentures were issued pursuant to a Trust Indenture between Boralex and Computershare Trust Company of Canada, the trustee, dated September 15, 2010, which is available on the website of SEDAR, at www.sedar.com. As of December 31, 2013, there were 2,446,545 convertible debentures outstanding.

9. Market for securities

The Class A Shares are listed on the TSX under the symbol BLX and the convertible debentures are listed on the TSX under the symbol BLX.DB, respectively. The following table sets forth the price range, in Canadian dollars, and the trading volume of the Class A Shares and the convertible debentures on the TSX for each month of 2013.

Shares

Month	High	Low	Trading Volume (Number)
January 2013	$9.60	$8.70	509,714
February 2013	$9.55	$9.01	265,665
March 2013	$10.65	$9.50	361,152
April 2013	$10.64	$9.82	525,840
May 2013	$11.84	$10.00	593,075
June 2013	$11.26	$9.76	450,428
July 2013	$10.90	$10.19	245,489
August 2013	$11.43	$10.27	352,917
September 2013	$11.00	$10.16	456,205
October 2013	$10.86	$10.14	409,112
November 2013	$10.98	$10.00	587,176
December 2013	$11.19	$10.53	356,979

Convertible Debentures

Month	High	Low	Trading Volume (Dollars)
January 2013	$107.30	$105.00	2,501,818
February 2013	$107.00	$106.10	2,146,122
March 2013	$107.25	$106.25	1,297,505
April 2013	$107.52	$106.50	2,589,621
May 2013	$111.00	$107.00	2,127,068
June 2013	$110.00	$104.03	2,026,214
July 2013	$106.10	$100.54	3,977,356
August 2013	$108.50	$105.00	2,380,338
September 2013	$106.55	$104.56	3,865,790
October 2013	$106.50	$104.39	2,760,949
November 2013	$107.35	$104.50	2,860,343
December 2013	$107.75	$105.60	734,761

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[1].

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, 12,000 shares of the Corporation.

Mr. Germain Benoit, Québec (Canada), is, since 2010, Chairman of the Board of Capital Benoit Inc., an investment company. From 1990 to 2010, he served as President of Capital Benoit Inc. He has been a director of Boralex since 1995. He is a member of the Human Resources Committee. He holds, directly or indirectly, 70,000 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 is a member of the Human Resources Committee and the Environment, Health and Safety Committee. He holds, directly or indirectly, 2,500 shares of the Corporation.

Mr. Robert F. Hall, Québec (Canada), has been a director of Boralex since May 2012 and Chairman of the Board since November 2012. From May 2005 to May 2011, Mr. Hall served as assistant corporate secretary of Boralex. Since 1994, Mr. Hall serves as Vice President, Legal Affairs and Corporate Secretary of Cascades Inc., a company operating in the field of manufacturing, processing and marketing of packaging products and tissue products composed mainly of recycled paper fibers. He holds, directly or indirectly, 1,140 shares of the Corporation.

Mr. Edward H. Kernaghan, Ontario (Canada), is President of Principia Research Inc., a research and investment company, and of Kernwood Ltd., an investment company. He is also Senior Investment advisor of Chippingham Financial Group Ltd., a brokerage firm. He has been a director of Boralex since 2006 and is a member of the Corporate Governance Committee. Edward H. Kernaghan is the son of Edward J. Kernaghan who beneficially owns, directly or indirectly, or exercises control or direction over 5,245,400 Class A Shares of the Corporation, being approximately 14% of the issued and outstanding shares. Edward H. Kernaghan beneficially owns, directly or indirectly, or exercises control or direction over 6,700 of the previously mentioned 5,245,400 Class A Shares of the Corporation.

Mr. Richard Lemaire, Québec (Canada), is President of Séchoirs Kingsey Falls Inc., a company specialized in wood drying, since 2000. He has been a director of Boralex since 1997 and is a member of the Environment, Health and Safety Committee. He holds, directly or indirectly, 10,001 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 is a member of the Human Resources Committee and the Environment, Health and Safety Committee. He holds, directly or indirectly, 6,170 shares of the Corporation.

Mr. Alain Rhéaume, Québec (Canada) is the Founder and Managing Partner of Trio Capital Inc., a private investment company. He is also a director of Resolute Forest Products Inc., a corporation operating in the pulp and paper field, and of SNC Lavalin Inc., an engineering consulting company. Mr. Rhéaume is also a director of the Canadian Public Accountability Board and the Canadian Investor Protection Fund. During the past five years, Mr. Rhéaume held various executive positions. Until July 2009, he was the lead director of Quebecor World Inc.[2] From 2001 to 2005, Mr. Rhéaume held various positions including Executive Vice President of Rogers Wireless Inc. and President of its Fido Division, a role he assumed when Microcell Telecommunications Inc. was acquired by Rogers. He served as President and Chief Executive Officer of Microcell PCS, a division of Microcell Telecommunications Inc.[3], and

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1 Please note that Mr. Bernard Lemaire ceased to hold office as director at the last shareholders meeting on May 8, 2013. He had been a director of Boralex since 1995. He was Executive Chairman of the Board from 1995 to 2012 and Chief Executive Officer from September 2003 to September 2006.

2 Quebecor World Inc. ("Quebecor") has sought the protection, on January 21, 2008, of the *Companies' Creditors Arrangements Act* and which has put in place a capital restructuration plan approved by its creditors in July 2009, after having obtained an order from the court allowing it. Since July 2009, Mr. Rhéaume is no longer director of Quebecor.

3 In 2003, Microcell Télécommunications Inc. ("Microcell") concluded an agreement in respect of a capital restructuration plan with its non-guaranteed promissory note holders and obtained an order from the Court pursuant to the *Companies' Creditors Arrangements Act* on its implementation. Since June 2005, Mr. Rhéaume is no longer a member of Microcell's management.

as President and Chief Operating Officer of Microcell Solutions Inc. From 2006 to 2010, he was a trustee of the Boralex Power Income Fund. He has been a director of Boralex since 2010 and a member of the Corporate Governance Committee and Audit Committee of Boralex. He does not own, directly or indirectly, any shares of the Corporation.

Ms. Michelle Samson-Doel, Ontario (Canada), is President of Groupe Samson-Doel Limited, an investment holding company, and is also a corporate director. She has been a director of Boralex since 2005 and a member of the Audit Committee and the Corporate Governance Committee. She holds, directly or indirectly, 51,000 shares of the Corporation.

Mr. Pierre Seccareccia, Québec (Canada), is 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, 7,600 shares of the Corporation.

Information on non-director officers

Non-Director Officer	Position with the Corporation	Province and Country of Residence	Number of Shares Held
Sylvain Aird	Vice President, Boralex Europe, Chief Legal Officer and Corporate Secretary	Québec (Canada)	2,800
Denis Aubut	General Manager, Operations	Québec (Canada)	1,515
Patrick Decostre	General Manager, Boralex Europe	Belgium	1,800
Hugues Girardin	Vice President, Development	Québec (Canada)	1,315
Jean-François Thibodeau	Vice President and Chief Financial Officer	Québec (Canada)	3,000

During the past five years, all of the non-director officers of the Corporation have been engaged in their present principal occupations, except for:

Mr. Sylvain Aird who served from April 2008 to June 2012 as Vice President, Legal Affairs and Corporate Secretary; and

Mr. Hugues Girardin who served from January 2008 to September 2012 as General Manager, Development.

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 Alain Rhéaume, Michelle Samson Doel and Pierre Seccareccia (Chair).

The Environment, Health and Safety Committee is composed of Richard Lemaire, Yves Rheault and Alain Ducharme (Chair).

The Corporate Governance Committee is composed of Edward H. Kernaghan, Alain Rhéaume and Michelle Samson-Doel (Chair).

The Human Resources Committee is composed of Germain Benoit, Alain Ducharme 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 177, 541 Class A Shares of Boralex, representing less than 1% of the Corporation's issued and outstanding Class A 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 Pierre Seccareccia, Chairman, Michelle Samson Doel and Alain Rhéaume, 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.

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.

Alain Rhéaume has a Bachelor degree in business administration from Laval University**.** He is the Founder and Managing Partner of Trio Capital Inc., a private investment company. As a director of various public corporations, Mr. Rhéaume has been a member of Audit Committees. He is also a director of the Canadian Public Accountability Board and the Canadian Investor Protection Fund. Over the past years, Mr. Rhéaume held various senior management positions. He served, namely as Executive Vice President of Rogers Wireless Inc. and President of its Fido Division, a role he assumed when Microcell Telecommunications Inc. was acquired by Rogers. He served as President and Chief Executive Officer of Microcell PCS, a division of Microcell Telecommunications Inc., and as President and Chief Operating Officer of Microcell Solutions Inc. From 1996 to 2001, Mr. Rhéaume served as Executive Vice President and Chief Financial Officer of Microcell Telecommunications Inc. Previously, Mr. Rhéaume was associate Deputy Minister of Finance from 1987 to 1992 and Deputy Minister of Finance from 1992 to 1996 in the Government of Québec.

Michelle Samson Doel is a corporate director and president of Groupe Samson-Doel Ltée, a holding company. Mrs. 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 Rothman School of Management and is accredited IAS.A by the Institute of Corporate Directors. She has served in many executive positions, notably at Multi-Marques Inc. as Vice President of business development from 1996 to 2000 and as executive chair of the board of directors from 2000 to 2001.

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)	2013	2012
Audit Fees	595,500	$578,500
Total	595,500	$578,500

"*Audit Fees*" consist of all fees paid to PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L. for audit services.

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 performs 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

There are no legal proceedings that represent an amount exceeding 10% of the assets of Boralex.

13. Interest of management and others in material transactions

See section 10 "*Directors and Officers*".

14. Transfer agent and registrar

The transfer agent and registrar of Boralex is Computershare Investor Services Inc., having a place of business at 1500 University Street, 7th Floor, Montréal, Québec, H3A 3S8 Canada. The transfer register of the Class A 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, 2013 and those entered since January 1, 2002 and which are still in effect are:

Management Agreement dated April 2, 2003 between the Corporation and RSP Hydro Trust, under which the Corporation manages and operates three hydroelectric power stations having a total capacity of 12.6 MW. It is a 15-year agreement, which becomes automatically renewable for successive one-year terms.

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 $194.5 million, about 76% of the total investment, including initial financing costs, interest payable during the construction period, working capital and contingencies. Thanks to the increase in the financial leveraging on Phase I of the project, Boralex has not only been able to complete Phase II without adding any equity investment, but also to free up $12.7 million. The loan will be amortized over 21 years, at a rate of 7.05% for the entire term of the loan. To date, all conditions precedent to drawing on the financing have been met. 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 *Ontario Power Authority* under the Advanced RESOP program.

Pursuant to an Underwriting Agreement dated August 31, 2010 between the Corporation and TD Securities Inc., CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc., Canaccord Genuity Corp., Desjardins Securities Inc., GMP Securities L.P., Macquarie Capital Markets Canada Ltd. and Cormark Securities Inc. (collectively, the "Bought Deal Underwriters"), the Corporation agreed to sell $95 million principal amount of convertible debentures and the Bought Deal Underwriters agreed to purchase, subject to certain conditions, all, and not less than all of the convertible debentures for gross proceeds of $95 million in order to pay for the cash consideration under the amended offer. The Bought Deal Underwriters also exercised their over-allotment option and purchased an additional $14.25 million principal amount of convertible debentures. The compensation paid to the Bought Deal Underwriters by bought deal totalled $4.37 million.

On September 15, 2010, Boralex and Computershare entered into a Trust Agreement that governs the convertible debentures of Boralex. For further detail, we refer to section 5 "*General Development of the Business*".

On November 8, 2011 Boralex, Gaz Métro Limited Partnership and Valener Inc. finalized, on behalf of the joint venture *Seigneurie de Beaupré Wind Farms 2 and 3 General Partnership* (the "Joint Venture"), the financing for the construction works of the first 272 MW of the Seigneurie de Beaupré wind farms. The amount of financing, secured by the assets of the project and without recourse against the partners, is a two-year construction loan of $560 million which will be converted into a term loan repayable over an amortization period of 18 years after the start of commercial operation in December 2013. The group of lenders was led by The Bank of Tokyo-Mitsubishi UFJ, LTD., New York Branch, Deutsche Bank AG, Canada Branch and KfW Ipex-Bank GmbH. Part of the financing, $260 million, is covered by a guarantee to lenders by the Federal Republic of Germany through its export credit agency Euler-Hermes. In addition to the long term financing of $560 million, current loans, including a bridge loan and letters of credit, totalling $165 million, have been concluded, to finance certain costs incurred during the construction reimbursable by Hydro-Québec and to issue various letters of credit, bringing the total funding to $725 million. The Joint Venture has entered into interest rate swap transactions in order to establish the rate of the funding for a significant portion of the project over the expected duration of the underlying funding. The total nominal amount of transactions is $505.25 million and the rates vary from 3.18% to 3.22%.

Following the 2011 financing to complete the construction of the first 272 MW of the Seigneurie de Beaupré wind farms, two amendments to the Credit Agreement have been entered into. The first amendment dated January 10, 2012 amended the Credit Agreement with respect to the interest rate protection mechanisms and the second amendment dated August 29, 2012 amended certain disclosure obligations to be provided to the lenders.

16. Interests of experts

PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L., Chartered Professional Accountants, is the auditor of the consolidated financial statements of the Corporation who prepared an independent auditor's report dated March 10, 2014 in respect of the Corporation's consolidated financial statements and related notes as at December 31, 2013 and 2012 and for the years ended on these dates. 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 compensation plans in the form of equity securities, if any, is contained in the Proxy Circular dated March 10, 2014 prepared in connection with the annual meeting of shareholders.

Additional financial information pertaining to the financial year ended December 31, 2013 is contained in the financial statements and in the 2013 Management's Discussion and Analysis.

The continuous disclosure documents are available from the Corporate Secretary of the Corporation at the following addresses:

Boralex Inc.
Head Office
Corporate Secretary Offices
36 Lajeunesse Street
Kingsey Falls, Québec J0A 1B0
Telephone: 819-363-6363
Facsimile: 819-363-6399

Boralex Inc.
Administrative Offices
Corporate Secretary Offices
772 Sherbrooke Street West, Suite 200
Montréal, Québec H3A 1G1
Telephone: 514-284-9890
Facsimile: 514-284-9895

or on the Corporation's website: www.boralex.com or on SEDAR: www.sedar.com

Schedule "A" Audit committee charter

1. Composition and quorum

- Minimum of three directors appointed by the Board;
- Only independent directors, as determined by the Board and in accordance with the Canadian securities laws and regulations, may be appointed to the Audit Committee. A member of the Audit Committee may not, except in his or her capacity as director or member of a Committee of the Board and subject to the exemptions provided under laws and regulations in Canada, accept, directly or indirectly, any fees from Boralex or a subsidiary of Boralex and may not be a member of the same group as Boralex or of one of its subsidiaries;
- Each member must be "financially literate" in the judgment of the Board;
- A quorum for a meeting consists of a simple majority of the members.

2. Meetings of the committee

- Meetings are held at least four times a year and as necessary;
- Members of the Committee meet before or after every meeting without the presence of management;
- The Committee must report regularly to the Board regarding its meetings and its recommendations.

3. Mandate

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

- accuracy and completeness of the financial statements of Boralex and related information;
- process of presenting and disclosing financial information;
- internal control systems and financial controls;
- appointment, qualification, performance and independence of the auditors;
- compliance with legal and regulatory requirements; and
- any other responsibility the Board may delegate to the Committee from time to time.

While the Audit Committee has the responsibilities and powers conferred upon it hereunder, the members of the Audit Committee recognize that the role of the Audit Committee is to monitor the accounting process and the public disclosure of financial information of Boralex and audits by the auditors of the financial statements of Boralex on behalf of the Board and to report regularly to the Board on its activities.

Boralex's management is responsible for the preparation, completeness and presentation of the financial statements of Boralex and for ensuring that internal financial information controls are effective. Management must apply and maintain adequate accounting and financial principles and policies with respect to accounting, presentation of financial information and internal controls which allow Boralex to comply with accounting standards, laws and regulations.

The auditors are responsible for planning and conducting the annual audit of the annual financial statements of Boralex and for verifying the effectiveness of internal financial controls and other verification procedures annually.

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

In fulfilling their duties, Audit Committee members must engage in constructive and open discussions with the Board, auditors and Management.

The responsibilities of the Audit Committee are as follows:

A) Concerning the presentation of financial information

- examine the quality and integrity of the accounting process, as well as the presentation and disclosure of Boralex's financial information, through discussions with Management and auditors;
- examine, with Management and auditors, Boralex's annual audited financial statements, including the information in the management report, related press releases and the auditors' report on the audited annual financial statements before they are publicly released and filed with securities regulatory authorities;

- examine, with Management, the unaudited interim financial statements of Boralex, including the management report for each interim period and the related press releases before they are publicly released and filed with securities regulatory authorities;
- examine the financial information in any prospectus, offering document, annual information form or other public document that contains audited or unaudited financial information submitted for Board approval;
- examine, with the auditors and Management, the quality, relevance and disclosure of Boralex's accounting principles, conventions and underlying assumptions, as well as practices with respect to the presentation of information and all proposals to modify these accounting principles and conventions;
- review the analyses and other written communications prepared by Management or auditors on important issues with respect to the presentation of financial information and decisions made in the preparation of the financial statements, including any analysis of the impact on the financial statements of different methods that comply with generally accepted accounting principles;
- verify that Management's declarations about the financial reports comply with applicable legislation;
- review major legal proceedings and regulatory or accounting initiatives that could have a significant influence on Boralex's financial situation or operating results and verify the relevance of their disclosure in the documents reviewed by the Audit Committee;
- review the results of the audit, any significant problems that drew the auditors' attention during the audit and Management's response or action plan with respect to any recommendation letter from the auditors.

B) Concerning financial risk management and internal controls

- receive regular reports from Management assessing the adequacy and effectiveness of the controls and procedures for disclosing information and of Boralex's internal control systems;
- review Boralex's insurance coverage each year and as necessary;
- review evaluation policies and management of principal financial risks policies for Boralex, including hedging transactions, financing, investments and credit;
- review major capital expenditures and major spending between related parties or any other transactions that could change the financial or organizational structure of Boralex, including off-balance sheet items;
- assist the Board in ensuring that Boralex satisfies applicable legal and regulatory requirements;
- while maintaining the confidential and anonymous nature of communications, establish clear and precise procedures for the receipt, conservation and processing of complaints made to Boralex regarding irregularities or fraud in accounting, internal accounting control or auditing matters, including concerns transmitted by the employees regarding accounting or auditing matters.

C) Concerning auditors

- recommend the appointment of auditors, their remuneration and, if applicable, their removal to the Board, evaluate and examine their qualifications, performance and independence;
- ensure that the auditors report directly to the Committee;
- approve all auditing, reviewing or certification services provided by the auditors and oversee their communication, determine the non-audit related services which the auditors are prohibited from performing and approve in advance non-audit related services that the auditors are authorized to provide to the Corporation or one of its subsidiaries, in accordance with applicable laws and regulations;
- discuss with the auditors, not just the acceptability of Boralex's accounting principles, but also their quality, including (i) all accounting conventions and practices used, (ii) other treatments of financial information that have been discussed with Management, the implications of their use and privileged treatment and (iii) any other important written communication between Boralex and the auditors;
- resolve any disagreement or unresolved issue between Management and the auditors that could have an impact on the financial statements and the existing measures and procedures to remedy it;
- review, at least once a year, the report from the auditors describing their relations with Boralex and confirming their independence and discuss with them any relation or service that could have an impact on the quality of their auditing services, their objectivity, or independence;
- review and approve Boralex's policies with respect to the hiring of partners and employees, former or current, of the auditors of Boralex, whether these auditors are former or current;

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

Once a year, the Committee examines its mandate to determine if it is adequate.

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