

BORALEX

2020

Expansion in full swing

Positioning for sustainable growth



ANNUAL INFORMATION FORM

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

February 24, 2021



Table of Contents

1.	INFORMATION INCORPORATED BY REFERENCE	2
2.	NOTICE CONCERNING FORWARD-LOOKING STATEMENTS	2
3.	GENERAL	3
4.	CORPORATE STRUCTURE	3
5.	GENERAL DEVELOPMENT OF THE BUSINESS	4
6.	DESCRIPTION OF THE BUSINESS	8
7.	DIVIDEND POLICY	19
8.	CAPITAL STRUCTURE	20
9.	MARKET FOR SECURITIES	20
10.	DIRECTORS AND OFFICERS	21
11.	AUDIT COMMITTEE	23
12.	LEGAL PROCEEDINGS	24
13.	TRANSACTIONS	26
14.	TRANSFER AGENT AND REGISTRAR	26
15.	MATERIAL CONTRACTS	27
16.	INTERESTS OF EXPERTS	28
17.	ADDITIONAL INFORMATION	28
	SCHEDULE "A" - AUDIT COMMITTEE CHARTER	29

1. Information incorporated by reference

The audited consolidated financial statements of Boralex Inc. (“Boralex” or the “Corporation”) for the year ended December 31, 2020 and the notes thereto as well as the related Management’s Discussion and Analysis of the operating results, cash flow and financial position are specifically incorporated herein by reference. Copies of these documents and other information about the Corporation may be obtained at www.sedar.com or www.boralex.com.

2. Notice concerning forward-looking statements

This Annual Information Form and the documents incorporated by reference herein contain forward-looking statements based on current expectations, within the meaning of securities legislation. Positive or negative verbs such as “will,” “would,” “forecast,” “anticipate,” “expect,” “plan,” “project,” “continue,” “intend,” “assess,” “estimate” or “believe,” or expressions such as “toward,” “about,” “approximately,” “to be of the opinion,” “potential” or similar words or the negative thereof, or other comparable terminology are used to identify such statements. In particular, this Annual Information Form and the documents incorporated by reference herein contain forward-looking statements with respect to the Corporation’s strategic plan, business model, growth strategy and financial objectives, the renewable energy production projects in the pipeline or on the Corporation’s Growth path and their expected performance, EBITDA(A), EBITDA(A) margins and discretionary cash flow targets of Boralex or those expected to be generated in the future, the Corporation’s forecasted financial results, future financial position, installed capacity or megawatt growth objectives, including those set in connection with the Corporation’s pipeline of projects and Growth path, growth outlook, the strategies, the strategic plan and objectives of or relating to the Corporation, the expected timing of project commissioning, planned production, capital expenditure and investment programs, access to credit facilities and financing, capital tax, income tax, risk profile, cash flows and earnings and their components, the amount of distributions and dividends to be paid to securityholders, the anticipated distribution ratio, the dividend policy and the timing of such distributions and dividends. Actual events or results may differ materially from those expressed in such forward-looking statements.

Forward-looking information is based on significant assumptions, including assumptions about the performance of the Corporation’s projects based on management estimates and expectations with respect to wind and other factors, the opportunities that could arise in the various segments targeted for growth or diversification, assumptions about EBITDA(A) margins, assumptions about the industry and general economic conditions, competition and availability of financing and partners. While the Corporation considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect.

Boralex would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results or the measures it adopts could differ materially from those indicated by or underlying these statements, or could have an impact on the degree of realization of a particular forward-looking statement. The main factors that could lead to a material difference between the Corporation’s actual results and the forward-looking financial information or expectations set forth in this Annual Information Form and the documents incorporated by reference include, but are not limited to, the general impact of economic conditions, currency fluctuations, volatility in energy selling prices, the Corporation’s financing capacity, competition, changes in general market conditions, the regulations governing the industry, raw material price increases and availability, litigation and other regulatory issues related to projects in operation or under development, as well as other factors described in the sections on risks factors and uncertainties which are contained in the Management’s Discussion & Analysis of Boralex for the year ended December 31, 2020.

Unless otherwise specified by the Corporation, the forward-looking statements do not take into account the possible impact on its activities of transactions, non-recurring items or other exceptional items announced or occurring after the statements are made. There can be no assurance as to the materialization of the results, performance or achievements as expressed or implied by forward-looking statements. The reader is cautioned not to place undue reliance on such forward-looking statements. Unless required to do so under applicable securities legislation, management of Boralex does not assume any obligation to update or revise forward-looking statements to reflect new information, future events or other changes.

3. General

This Annual Information Form is dated February 24, 2021. All information contained in this Annual Information Form is as of December 31, 2020, unless otherwise specified, such as the installed capacity and the number of sites that are as of February 24, 2021. All financial information presented in this Annual Information Form, as well as tabular information, is in Canadian dollars.

4. Corporate structure

Name and incorporation of the Corporation

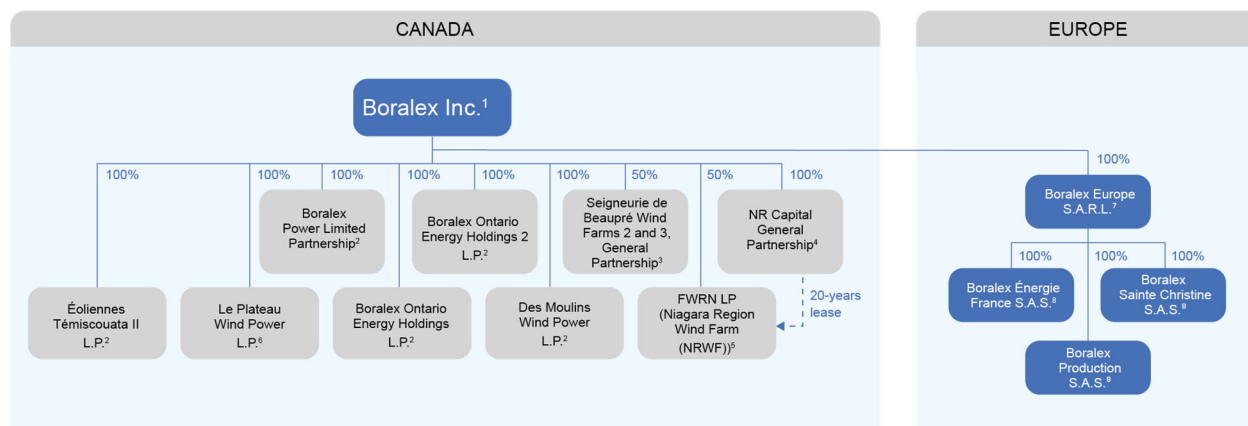
Boralex was incorporated on November 9, 1982 under the *Canada Business Corporations Act*. Certificates of Amendment were subsequently issued to the Corporation primarily in order to amend its authorized capital, its corporate name and the place of its registered office.

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

The registered office of the Corporation is located at 36 Lajeunesse Street, Kingsey Falls, Québec, J0A 1B0. Boralex also has administrative offices located at 900 de Maisonneuve Boulevard West, 24th floor, Montréal, Québec, H3A 0A8.

Inter-corporate relationships

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



(1) Jurisdiction of incorporation: Canada.

(2) Jurisdiction of incorporation: Québec.

(3) Jurisdiction of incorporation: Ontario.

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

(5) Jurisdiction of incorporation: Manitoba. FWRN LP is the entity operating the NRWF Project and which owns the intangible assets of the Project, including the FIT contract.

(6) Jurisdiction of incorporation: Manitoba.

(7) Jurisdiction of incorporation: Luxembourg.

5. General development of the business

Boralex is a power producer whose core business is dedicated to the development and operation of renewable energy power stations in Canada, France, the United States and the United Kingdom. As of the date of this Annual Information Form, the Corporation operates 88 wind farms, 10 solar energy facilities, 16 hydroelectric power stations and 2 thermal power stations representing an asset base with a net installed capacity of 2,455 MW, namely 1,125 MW in Canada, 1,040 MW in France and 290 MW in the United States, including Centaurus Renewable Energy LLC's 209 MW solar farms portfolio acquired in January 2021. Boralex is also engaged in projects under development representing more than 544 MW, including 64 MW under construction or ready-to-build that will be commissioned by the end of 2021. Substantially all of Boralex's operating assets are subject to long-term power purchase agreements providing for fixed and indexed prices. With over 527 employees, Boralex is known for its diversified expertise and in-depth experience in four power generation types — wind, solar, hydroelectric and thermal. Boralex's Class A common shares are listed on the Toronto Stock Exchange (the "TSX") under the ticker symbol "BLX".

Three-year history

2018

On March 29, 2018, Boralex announced that the maturity of its \$460 million revolving credit facility had been extended one year to April 27, 2022 (subsequently extended to April 27, 2023), and that an accordion clause had been added giving access to an additional amount of \$100 million under the same terms and conditions.

On March 29, 2018, Boralex also confirmed a total joint investment of \$200 million in the Corporation by the Caisse de dépôt et placement (the "Caisse") and Fonds de solidarité FTQ (the "Fonds") by way of an unsecured subordinated loan with a term of ten (10) years. This initial investment of \$200 million ("Tranche A") has been increased by an amount of \$100 million ("Tranche B"), which was available for a period of 12 months from the closing date under the same terms and conditions applicable to Tranche A. Tranche B was drawn on July 24, 2018 in connection with the acquisition of Kallista Energy Investment SAS ("Kallista").

On May 8, 2018, the Board of Directors of the Corporation authorized a dividend increase of 5% on an annualized basis, namely from \$0.60 to \$0.63 per common share.

On June 20, 2018, Boralex announced the closing of the transaction to acquire all the outstanding shares of Kallista for a total cash consideration of \$121 million (€78 million) and the assumption of \$171 million (€111 million) of project debt. The Corporation also repaid a \$78 million (€51 million) loan to a non-controlling shareholder granted by Ardian Infrastructure to Kallista and an \$8 million (€6 million) loan for a total of \$86 million (€56 million). The portfolio of acquired projects consists of 163 MW of wind power projects in operation, a 10 MW ready-to-build project and a portfolio of projects under development totalling 158 MW.

Pursuant to a passport application for exemptive relief made by the Corporation in accordance with National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions, the Corporation received exemptive relief dated June 13, 2018 from or on behalf of each of the securities regulatory authorities in the provinces of Canada, which relief provides the Corporation with an exemption from the requirement to file a business acquisition report in accordance with Form 51-102F4.

On June 20, 2018, Boralex also announced that it had entered into purchase agreements with affiliates of Invenergy Renewables LLC ("Invenergy") to acquire all of its economic interests in five wind farms in Québec (201 MW) for a total cash consideration of \$216 million. The projects were commissioned between March 2012 and December 2016 and benefit from long-term power purchase agreements with Hydro-Québec Distribution expiring between 2032 and 2041. The projects covered by this acquisition are the Des Moulins I (136 MW), Des Moulins II (21 MW) and Le Plateau I (139 MW) wind farm projects, each 49% indirectly held by the Caisse until November 30, 2020, and Le Plateau II (21 MW) and Roncevaux (74 MW), 40.04% and 50% held by local partners respectively.

To finance this acquisition, Boralex made a public offering of subscription receipts for gross proceeds of approximately \$207 million (subsequently converted into Class A common shares of the Corporation) and a concurrent private placement of subscription receipts of Boralex to the Caisse for gross proceeds of approximately \$52 million. On September 14, 2018, Boralex announced that it had closed the acquisition for a total cash consideration of \$216 million. In light of the acquisition, the Board of Directors of Boralex authorized a 4.8% increase in the annual dividend, from \$0.63 to \$0.66 per share. This increase took effect on September 14, 2018.

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

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

On November 13, 2018, Boralex closed the financing of four wind farms under construction located in France for a total of \$165 million (€106 million). These wind farms are Basse Thiérache Nord (20 MW), Catésis (10 MW), Seuil du Cambrésis (24 MW), as well as Cham Longe I, which is undergoing repowering to increase its capacity from 18 MW to 35 MW. The financing is provided by Crédit Industriel et Commercial, Auxifip, Caisse Régionale de Crédit Agricole Mutuel Nord de France, CM-CIC Infra Debt Fund and BPI France Financement. This additional financing consists of four variable-rate tranches amortized over terms ranging from 15 to 20 years at an average rate of approximately 2.29%.

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

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

2019

On January 30, 2019, the Corporation announced the commercial commissioning of the Sources de l'Ancre (23 MW) and Le Pelon (10 MW) wind farms, respectively located in the Somme and Deux Sèvres departments, in France. Both wind farms are covered by a 15-year power purchase agreement with EDF.

On March 15, 2019, the Corporation announced the appointment of Patrick Decostre as Vice-President and Chief Operating Officer, and the appointment of Nicolas Wolff, who succeeds him, as Vice-President and General Manager, Boralex Europe.

On March 18, 2019, the Corporation announced the commercial commissioning of the Basse Thiérache Nord wind farm (20 MW), located in the Aisne department of France. The wind farm is covered by a 15-year feed-in premium contract with EDF.

On April 9, 2019, the Corporation announced the commercial commissioning of the Moose Lake wind farm (15 MW), located northwest of Tumbler Ridge, British Columbia. The wind farm is covered by a 40-year power purchase agreement with BC Hydro.

On June 6, 2019, the Corporation announced the commercial commissioning of the Catésis wind farm (10 MW), located in France's Nord department. The wind farm is covered by a 20-year feed-in premium contract with EDF.

On June 18, 2019, the Corporation unveiled its strategic plan and financial objectives for 2023, organized around four key strategic orientations: Growth, Diversification, Customers and Optimization. The plan notably provides for continued growth in the onshore wind sector, as well as for the acceleration of development of solar energy projects in France. The plan also provides for the development of solar energy projects in the United States, starting with the high potential market of New York State. Developments in these sectors will gradually be completed with the introduction of an energy storage service, which makes it possible to ensure a balance between the electricity generation consumption on the network, and in particular to mitigate the variability of renewable energy production. The plan also aims to expand target clientele by signing contracts directly with large electricity consuming corporations and by providing ancillary services. Finally, the strategic plan calls for maximizing synergies and optimizing costs within the Corporation as well as diversifying its sources of financing. The 2023 financial targets consist of (i) discretionary cash flows of \$140 million to \$150 million in 2023, (ii) maintaining the dividend policy equivalent to a dividend payout ratio of 40% to 60% of discretionary cash flows, and (iii) a net installed capacity of 2,800 MW in 2023.

On September 6, 2019, the Corporation announced two appointments to Boralex's Executive Committee: Marie-Josée Arsenault as Vice President, Talent and Culture, and Julie Cusson as Vice President, Public and Corporate Affairs.

On September 24, 2019, the Corporation sent a notice to Computershare Trust Company of Canada ("Computershare"), as trustee under the Trust Indenture dated June 22, 2015 between Boralex and Computershare, to the effect that Boralex would redeem in cash, as of October 24, 2019, all of its outstanding 4.5% convertible unsecured subordinated debentures (the "Debentures") that would not be converted as of the redemption date.

On October 17, 2019, the Corporation announced the repowering of its Buckingham hydroelectric power station in Québec. From an initial capacity of 10 MW, the Buckingham power station now has an installed capacity of 20 MW. The facility's power purchase agreement with Hydro-Québec is in force until 2038.

On October 24, 2019, the Corporation announced that it had completed the redemption of its Debentures. The aggregate principal amount of the Debentures outstanding as of September 24, 2019 was \$144 million, of which \$136 million was converted by holders of Debentures into 6,938,325 Class A common shares of Boralex at a conversion price of \$19.5658 per share. The remaining \$8 million of principal amount of Debentures was redeemed for cash proceeds equal to the principal amount plus accrued interest.

On November 14, 2019, the Corporation announced the commercial commissioning of the Yellow Falls hydroelectric station (16 MW), effective as of March 6, 2019, under the terms of a 40-year power purchase agreement with the IESO.

On November 25, 2019, Boralex entered into credit agreements for the refinancing of substantially all of its assets in France. The refinancing for a total amount of \$1.5 billion (€1 billion) was closed on November 26 and 27, and divided among three separate portfolios with maturity dates in 2030, 2036 and 2039. A corporate restructuring was completed concurrently with the refinancing to optimize the structure. The refinancing includes a \$1.2 billion (€801 million) tranche for operating assets, a \$206 million (€141 million) tranche for the construction of identified projects in the short term, a \$83 million (€57 million) letter of credit facility, and a \$12 million (€8 million) value added tax bridge financing facility. Repayments are to be made quarterly. To reduce exposure to rate fluctuations, interest rate swaps have been entered into to cover 90% of the total long-term debt as required by the credit agreements. Furthermore, an additional \$182 million (€125 million) tranche to finance the construction of future projects has closed on January 29, 2020.

On December 2, 2019, the Corporation announced the commercial commissioning of the Seuil du Cambrésis wind farm (24 MW), located in France's Nord department. The wind farm is covered by a 15-year feed-in premium contract with EDF.

On December 18, 2019, the Corporation announced the closing of \$209 million refinancing at an average interest rate of approximately 3.40% for Le Plateau I wind farm (139 MW), then owned 51% by Boralex and 49% by the Caisse. The new credit agreement will mature in March 2032, the same end date as the power purchase agreement with Hydro-Québec.

2020

On July 7, 2020, the Corporation announced the signing of a power purchase agreement with Orange France. Boralex will supply Orange with 67 GWh/year of renewable electricity generated by the 26 wind turbines at the Ally-Mercoeur wind farm in the Auvergne Rhône-Alpes region. The implementation of this five-year agreement began on January 1, 2021. The agreement covers all the electricity produced by the wind farm, which has an installed capacity of 39 MW.

On August 7, 2020, the Corporation announced that it has completed the \$806 million refinancing over 16 years for its 230 MW Niagara Region Wind Farm (NRWF), Ontario, Canada. NRWF was commissioned on November 2, 2016 and is held in partnership with the Six Nations of the Grand River Indigenous community.

On August 11, 2020, the Corporation announced a public offering of 5,288,000 new common shares at a price of \$33.10 per common share for gross proceeds of approximately \$175 million. The underwriters have also been granted an option to purchase up to an additional 15% of the common shares issued under the offering at a price of \$33.10 per common share. On August 28, 2020, the Corporation closed the public offering for gross proceeds of approximately \$201 million, which includes the full exercise of the over-allotment option by the underwriters.

On September 1st, 2020, the Corporation announced the commercial commissioning, as of August 1st, 2020, of the 15 MW Santerre wind farm, located in La Somme, France. The wind farm has a 20-year feed-in premium contract with EDF.

On September 8, 2020, the Corporation announced the signing of a corporate power purchase agreement with Auchan Retail France. Under the terms of this three-year contract starting January 1, 2021, Boralex will supply Auchan with electricity generated by its Chépy and Nibas wind farms with a combined total capacity of 16 MW.

On October 21, 2020, the Corporation announced that Patrick Decostre has been appointed President and Chief Executive Officer as of December 1st, 2020. He succeeded Patrick Lemaire, retiring on December 31, 2020.

On November 2nd, 2020, the Corporation announced the commercial commissioning of the 11 MW Blanchés Fosses wind farm, located in the department of Aisne in France. The wind farms has a feed-in premium contract of 20 years with EDF.

On November 20, 2020, the Corporation announced that it has entered into an agreement to acquire the full 49% of equity stake held by the Caisse in three wind farms in Quebec (Des Moulins I, Des Moulins II and Le Plateau I), already 51% owned by Boralex. Boralex paid a cash consideration of \$121 million to the Caisse, to which could be added a consideration of up to \$4 million subject to the settlement of certain future conditions to be met. The Caisse's 49% interest represents 145 MW of net installed capacity and the three wind farms represent a total of 296 MW capacity. The Corporation announced the closing of the transaction on December 2, 2020.

On November 23rd, 2020, the Corporation announced that it has entered into agreements with Centaurus Renewable Energy LLC ("CRE") and certain other investors to acquire their controlling interests in seven solar plants, located in the United States, for a purchase price of \$CA277 million (US\$212 million). The operating solar plants totaling 209 MW of gross installed capacity (118 MW net) are located in California, in Alabama and in Indiana. The assets were commissioned between 2014 and 2017 and benefit from long-term power purchase agreements with the Regents of the University of California, Alabama Power Company, PG&E, Southern California Edison, City of Palo Alto, and Indianapolis Power & Light, expiring between 2029 and 2046 with a remaining weighted average close to 21.5 years on the PPAs, as of January 2021.

On December 8, 2020, the Corporation announced the commercial commissioning of the Cham Longe repowering and Extension Seuil de Bapaume wind farms, producing a total output of 52 MW and located respectively in the departments of Ardèche and Somme, in France. The duration of each of the power purchase agreements is 20 years.

On December 21, 2020, the Corporation concluded a transaction for the repurchase of the minority interest of its partner Aeolis Wind Power Corporation ("Aeolis") in the Moose Lake wind farm in British Columbia. At the time of the transaction, Aeolis had a 30% interest. Boralex acquired this interest for a consideration of \$3.5 million.

6. Description of the business

Principal Financial Information

	IFRS		Combined ⁽⁶⁾	
	2020	2019	2020	2019
In millions of dollars, unless otherwise specified				
NET INSTALLED CAPACITY (MW)⁽¹⁾	2,455	2,040	2,455	2,040
POWER PRODUCTION (GWh)⁽²⁾	4,727	4,371	5,834	5,544
Wind power stations	3,794	3,434	4,901	4,607
Hydroelectric power stations	746	756	746	756
Thermal power stations	166	158	166	158
Solar power stations	21	23	21	23
FINANCIAL HIGHLIGHTS				
Revenues from energy sales	619	564	738	687
Wind power stations	526	471	645	594
Hydroelectric power stations	63	60	63	60
Thermal power stations	25	28	25	28
Solar power stations	5	5	5	5
EBITDA (A)⁽³⁾⁽⁴⁾	434	402	514	492
Wind power stations	464	412	542	499
Hydroelectric power stations	45	44	45	44
Thermal power stations	2	7	2	7
Solar power stations	3	4	3	4
Corporate and eliminations	(80)	(65)	(78)	(62)
Net earnings (loss)	61	(43)	56	(43)
Net earnings (loss) attributable to shareholders of Boralex	55	(39)	50	(39)
Net earnings (loss) per share (basic and diluted) attributable to shareholders of Boralex (in dollars)	0,55	(0,43)	0,51	(0,43)
Net cash flows related to operating activities	362	294	399	303
Cash flows from operations⁽⁵⁾	338	310	378	327
FINANCIAL POSITION				
Total assets	5,314	4,557	5,753	5,246
Borrowings, including current portion of borrowings	3,516	3,067	3,870	3,660

⁽¹⁾ These 2020 measures include CRE's 209 MW solar farms portfolio located in the United States, the acquisition of which was announced by the Corporation in November 2020 and completed in January 2021.

⁽²⁾ Production level for which NRWF wind farm was compensated following power generation limitations imposed by IESO has been included in power production as management considers this measure to evaluate the performance of the Corporation. This change facilitates the correlation between power production and revenues energy sales and feed-in premium.

⁽³⁾ EBITDA(A) corresponds to earnings before interests, taxes, depreciation and amortization, adjusted to exclude other items such as acquisition costs, the other earnings, net loss on financial instruments and foreign exchange gains.

⁽⁴⁾ This measure is not a measure in conformity with International Financial Reporting Standards ("IFRS") and does not have a standardized meaning prescribed by IFRS; however, management uses this performance indicator to assess and compare the performance of its various assets. Refer to the annual audited financial statements of Boralex for the year ended December 31, 2020 and the related MD&A, incorporated herein by reference, for additional information related to the use of non-IFRS measures.

⁽⁵⁾ Cash flows from operations correspond to net cash flows related to operating activities before changes in non-cash items.

⁽⁶⁾ The combined information ("Combined") presented above results from the combination of the financial information of the Corporation under IFRS and that relating to the share of the *Interests*. The *Interests* represent significant investments by Boralex and although IFRS does not permit the consolidation of their financial information within that of Boralex, management considers that information on a Combined basis is useful data to evaluate the performance of the Corporation. In order to prepare the Combined information, Boralex first prepared its financial statements and those of the *Interests* in accordance with IFRS. Then, the *Interests in the Joint Ventures and associates*, *Share in earnings (losses) of the Joint Ventures and associates* and *Distributions received from the Joint Ventures and associates* line items were replaced by Boralex's respective share (ranging from 50% to 59.96%) in the financial statement items of the *Interests* (revenues, expenses, assets, liabilities, etc.). We refer you to the *Non-IFRS measures* section of the MD&A for the year ended December 31, 2020 for more information.

Independent power generation

Canadian power industry

Under the Canadian Constitution, the generation of electricity through the exploitation of natural resources falls mainly under the jurisdiction of the provinces and territories. Consequently, the power industry in Canada is structured according to provincial models. In most provinces, the industry is very integrated, with the production, transportation and distribution being provided in large part by a few large and dominant public service providers. Although some public service providers are private, for the most part they are Crown Corporations. In December 2020, the federal government launched the *Canada's Strengthened climate plan* to protect Canada's environment, create jobs and support communities. Several more ambitious commitments regarding the climate have been announced that should lead to a lower carbon economy. This plan provides among others, starting in 2023, an annual increase in the price of a ton of carbon of \$15 per year with a target of \$170 per ton by 2030. Additional investments of \$964 million over the next 4 years to increase the modernization and greening of electrical grid. This includes support to increase production capacities from renewable energies such as wind and solar power, as well as storage of energy. An additional \$300 million is planned to reduce dependence on diesel for rural communities' areas as well as First Nations. Through this climate plan, the Government of Canada has renewed its commitment to continue working with the provinces, public services and other partners to achieve its target of net zero carbon emissions from electricity generation by 2050.

Québec power industry

Regulatory and political framework

Hydro-Québec is one of the largest electric utilities in North America. Its sole shareholder is the Québec government. 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.

Since December 1996, the *Régie de l'Énergie* of Québec (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.

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.

After consulting stakeholders, the Québec government decided to adopt an energy policy applicable until 2030 (the "Policy"). Through the Policy, the Québec government has adopted as targets increasing total renewable energy production by 25%; by 2030. Most recently, in November 2020, the Minister of the *Environnement et de la lutte contre les changements climatiques* unveiled the *Plan pour une économie verte*, which provides, among other things, that Quebec will reduce its GHG emissions by 37.5% compared to 1990 levels by 2030 and will reach carbon neutrality by 2050. With respect to wind energy, the Québec government intends to support Québec businesses so that they can take advantage of the opening of new markets stemming from growing worldwide demand for wind power. The Québec government's perspective of wind power development is in keeping with this context and it hopes that certain wind farms built in Québec can respond to business opportunities and export all of their electricity to North American markets.

British Columbia power industry

Regulatory and political framework

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 ("BCUC"), 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. In order to acquire electricity from the private sector, primarily IPPs, BC Hydro employs either competitive calls, standards or open offers, or bilateral arrangements. BC Hydro recently imposed a moratorium on new independent power projects pending the outcome of the government's comprehensive review of BC Hydro. This includes suspension of BC Hydro's standing offer program.

In 2010, the Legislative Assembly of British Columbia passed the *Clean Energy Act* which sets out the province's energy objectives, notably generating at least 93% of the electricity in British Columbia from clean or renewable resources.

In November 2013, BC Hydro released its Integrated Resource Plan (the "IRP"), which calls for a number of measures to meet the expected increase in provincial electricity demand over the course of the next 20 years, including the construction of the 1,100 MW hydroelectric Site-C facility (the "Site-C"). The construction of the Site-C commenced in the summer of 2015 and is expected to be completed by 2024. BC Hydro established that the province disposed of enough electricity and that, as a result, there was no need for calls for new supply before BC Hydro commenced development of its next IRP.

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

Ontario power industry

Regulatory and political framework

The structure of the energy market in Ontario is 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 IESO, which is also responsible for the operation and the reliability of the power system. The energy trades in the wholesale market are settled at market price, determined for five-minute dispatch intervals on the basis of offers by the generators and bids from dispatchable load facilities. The market price is uniform across Ontario and it determines what the generators are paid for wholesale electricity. An adjustment mechanism compensates generators under contract with the IESO for the difference between the revenue they receive from the sale of electricity in the wholesale market and the price set out in their contract.

The Ontario Energy Board ("OEB") is the administrative tribunal responsible for the regulation and supervision of the electricity and natural gas industries in Ontario. It determines the rates charged by the regulated transporters and distributors and those charged by the Ontario Power Generation ("OPG") for most of its production. The IESO is responsible for electricity system planning and is the counterparty to a portfolio of long-term power purchase with independent power producers.

As of recently, Ontario's government endorsed the IESO's Market Renewal Program, which is aimed at substantially reviving the wholesale market by, among other things, developing an incremental capacity market, developing a day-ahead market, and introducing locational marginal pricing. The IESO plans to start implementing its Market Renewal Program initiatives at the beginning of 2021.

France power industry

Regulatory and political framework

In France, electric power generation was nationalized in 1946 with the creation of a public corporation, EDF, which held a virtually nationwide monopoly for the generation, transmission, distribution and supply of electricity throughout the country, with a few exceptions. Since the beginning of the 2000s, the electricity markets have been opened up and the EDF group's activities have been separated and other electricity producers and suppliers have emerged. Two EDF subsidiaries manage the electricity network, namely the Réseau de transport d'électricité ("RTE"), for high voltage lines, and Enedis, for low and medium voltage lines. Renewable energy projects are connected to either one of the power grids according to their capacity.

Growth in the development of renewable electricity in France is the result of national policy drivers including two main support schemes. Firstly, there is the historical purchase obligation system, whose prices and duration of application were set by the government. However, this system no longer exists for new renewable energy projects.

In fact, since 2014, the French systems for the support of new power generation projects based on renewable energies have gradually moved away from the historical purchase obligation system to adopt a compensation mechanism whereby producers selling electricity from renewable sources on the market at market prices would receive additional remuneration to help them achieve a target price over a 20-year period.

For land-based wind energy, the purchase obligation was replaced on December 13, 2016 by the additional remuneration mechanism. Since 2017, new projects can take advantage of this feed-in premium mechanism via two eligibility processes: (i) under an “open window” program, for projects consisting of up to 6 turbines, with a maximum power of 3 MW each, and (ii) beyond the aforementioned threshold, applicants can take advantage of the feed-in premium mechanism through requests for proposals held twice a year over three-year periods.

For solar energy, a system of competitive bids held twice a year over three-year periods has been implemented to allow new land-based projects to take advantage of the feed-in premium mechanism.

The installed on-shore wind and solar power in France are respectively 17.2 GW and 10.2 GW as of September 30, 2020. In May 2020, the government sets new goals for 2023 and 2028 as part of the *Programmation pluriannuelle de l'énergie*. For on-shore wind power, goals are 24.1 GW in 2023 and between 33.2 and 34.7 GW in 2028. For solar energy, goals are 20.1 GW in 2023 and between 35.1 and 44 GW in 2028.

United States power industry

Regulatory and political framework

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

The FERC is also responsible for the implementation of the *Public Utility Regulatory Policies Act of 1978* (“PURPA”). The PURPA provides for the supply of electricity to utilities by qualifying facilities (“QFs”), notably facilities that produce electric energy by using renewable resources as a primary energy source. QFs benefit from rules adopted by the FERC that require electric utilities to offer to sell electric energy to (including emergency backup power), and to purchase electric energy from, QFs at rates that are fair and reasonable to consumers and do not discriminate against QFs. The FERC can require electric utilities to provide open access transmission or “wheeling” services to all qualified power generators and wholesale power marketers. The procedures for interconnecting with, and utilizing transmission capacity on, electric transmission systems have been largely standardized, with transmission-owning utilities performing a type of regulated, common carrier service.

Between 1996 and 2002, many states required their vertically integrated electric utilities to divest some or all their generation assets, leaving such utilities to purchase power in competitive wholesale markets, while allowing retail customers to transact directly with power suppliers in certain states. The combination of open access transmission services and increasing numbers of independent power producers has led to the formation of organized markets operated by regional transmission organizations (“RTOs”) and independent system operators (“ISOs”) including, for example, the *New York Independent System Operator, Inc.* (“NYISO”), the ISO for the region in which the Corporation’s hydroelectric power plants are located. These ISOs/RTOs operate regional transmission systems and administer financial and physical markets for competitive wholesale energy, power and other ancillary services.

New York State

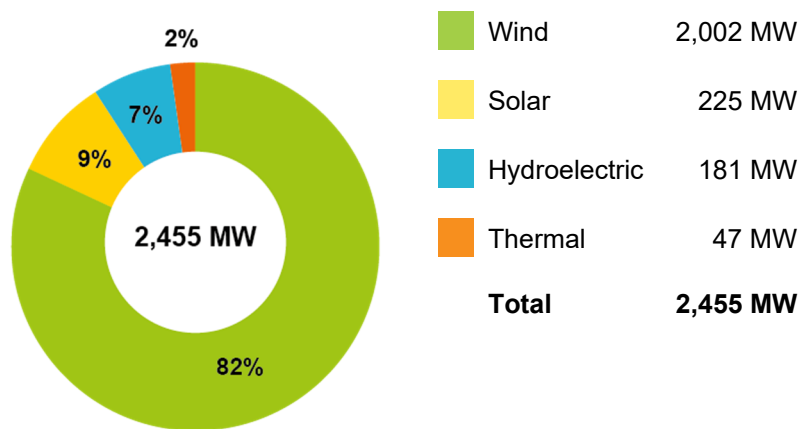
The implementation of PURPA in 1978 also initiated the transformation of electricity generation in New York State from vertically integrated electric utilities to predominantly non-utility power generators. The *New York Public Service Commission* also regulates the retail sales and distribution of electricity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

In 2019, New York passed the Climate Leadership and Community Protection Act (CLCPA), which commits New York an 85% reduction in GHG Emission by 2050. To achieve this mandate, the legislation increases New York’s existing Clean Energy Standard mandate to 70% renewable electricity by 2030, and zero-emissions by 2030 and increase New York’s targets for the development of offshore wind (9,000 MW by 2035), distributed solar (6,000 MW by 2025), and energy storage resources (3,000 MW by 2030).

During New York Governor’s State of the State, Andrew Cuomo expressed his commitment to the New York climate agenda, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy. The state of New York has opened a solicitation for new transmission facilities that will be developed to deliver qualifying renewable energy to New York City. New York State aims to contract up to 1,500 MW, but it may go beyond this quantity.

Industry sectors

Boralex is active in four industry sectors: wind, solar, hydroelectric and wood residue thermal or natural gas cogeneration. 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 net installed capacity of Boralex's sites by activity sector as of the date of this Annual Information Form and reflects Boralex's share in entities over which it does not have control:



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. Boralex holds interests in 88 wind power sites whose wind turbines are equipped with a central control system which optimizes electrical production and maintains it during unfavourable climatic conditions.

Solar power

Solar power consists of producing energy from sunlight. In Boralex's case, photovoltaic technology is used in which photovoltaic cells composing the panels produce electricity. Boralex operates ten solar power stations, seven of which are located in the United States, following the acquisition of the CRE's solar farms portfolio in 2021, two in France and one in Ontario.

Hydroelectric power

Hydroelectric power is produced using water to propel the turbines which in turn drive the alternators. The Corporation owns 16 hydroelectric power stations which are flexible and environmentally friendly power generation tools, since they are run-of-river facilities with almost no greenhouse gas emissions. These hydroelectric stations are located in the Provinces of Québec, Ontario 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 in Blendecques (France).

Description of the facilities of the Corporation

The following tables describe the renewable power generation facilities operated by Boralex as of the date of this Annual Information Form.

Wind power stations

Power Station	Location	PPA Maturity	Installed Capacity (MW)
Ally-Mercoeur	France	2025	39
Artois	France	2032	24
Avignonet-Lauragais Phase I	France	n.a.	8
Avignonet-Lauragais Phase II	France	2023	5
Basse Thiérache Nord	France	2034	20
Bassigny	France	2024	12
Blanches Fosses	France	2040	11
Bougainville	France	n.a.	12
Calmont	France	2030	14
Catésis	France	2039	10
Cham Longe (Repowering)	France	2040	40
Chasse-Marée	France	2025	9
Chemin de Grès	France	2032	30
Chépy	France	2023	4
Clérimois	France	2026	8
Coat Conval	France	2023	8
Comes de l'Arce	France	2030	10
Côteaux du Blaiseron	France	2033	26
Coulonges	France	2026	36
Evits et Josaphats	France	2021	12
Fond de la Plaine	France	2022	4
Fortel-Bonnières	France	2029	24
Haut de Conge	France	2025	28
Hauts de Comble	France	2033	20
Inter Deux Bos	France	2033	33
La Bouleste	France	2025	10
La Citadelle	France	2022	14
La Vallée	France	2028	32
Le Grand Camp	France	2025	10
Le Pelon	France	2033	10
Leign ar Gasprenn	France	2023-2024	8
Les Éparmons	France	2023	12
Les Moulins de Boulay	France	2022	10
Maurienne/Gourgançon	France	2022	12
Monts de Bagny	France	2032	26
Morlange	France	2031	10
Moulin à vent	France	2026	10
Nibas	France	2023	12
Noyers Bucamps	France	2033	10
Pannecé	France	2024-2025	18
Plaine de Beaunay	France	2032	12
Plateau de Langres	France	2024	12
Pays d'Othe	France	2029	8
Plateau de Savernat (Quinssaines)	France	2031-2032	16
Plouguin	France	2021	8
Remise Reclainville	France	2021	12
Ronchois	France	2025	30
Saint-André	France	2023	12
Saint-François	France	2030	23
Saint-Patrick	France	2024-2025	34
Santerre	France	2040	15
Seuil de Bapaume	France	2040	17
Seuil du Cambrésis	France	2034	24
Sources de l'Ancre	France	2033	23
Sources de la Loire	France	2026	18
Touvent	France	2031	14
Val aux Moines	France	2032	15
Vallée de L'Arce	France	2024	30
Vaux des Roques	France	2024	8
Voie des Monts	France	2032	10
Vron	France	2028	9
Zondrange	France	2031	12

Power Station	Location	PPA Maturity	Installed Capacity (MW)
Côte-de-Beaupré	Québec, Canada	2035	24
Des Moulins I	Québec, Canada	2033	136
Des Moulins II	Québec, Canada	2033	21
Frampton	Québec, Canada	2035	24
Le Plateau I	Québec, Canada	2032	139
Le Plateau II ⁽¹⁾	Québec, Canada	2034	13
Moose Lake	British-Columbia, Canada	2059	15
Niagara Region (NRWF)	Ontario, Canada	2036	230
Oldman I	Alberta, Canada	n.a.	4
Port Ryerse	Ontario, Canada	2036	10
Roncevaux ⁽¹⁾	Québec, Canada	2041	37
Seigneurie de Beupré – phases I and II ⁽¹⁾	Québec, Canada	2033-2034	170
Témiscouata I	Québec, Canada	2034	24
Témiscouata II	Québec, Canada	2035	52
Thames River	Ontario, Canada	2029-2031	90
Total:			2,002

Hydroelectric power stations

Power Station	Location	PPA Maturity	Installed Capacity (MW)
Fourth Branch	New York, United States	n.a.	3
Hudson Falls	New York, United States	2035	44
Middle Falls	New York, United States	n.a.	2
New York State Dam	New York, United States	n.a.	11
Sissonville	New York, United States	n.a.	2
South Glens Falls	New York, United States	2034	16
Warrensburg	New York, United States	n.a.	3
Beauport	Québec, Canada	2035	4
Buckingham	Québec, Canada	2038	20
East Angus	Québec, Canada	2030	2
Forestville	Québec, Canada	2035	12
Rimouski ⁽²⁾	Québec, Canada	2047	4
Saint-Lambert	Québec, Canada	2045	6
Jamie Creek	British Columbia, Canada	2054	22
Ocean Falls	British Columbia, Canada	2023	14
Yellow Falls ⁽²⁾	Ontario, Canada	2059	16
Total:			181

Thermal power stations

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

Solar sites

Power Station	Location	PPA Maturity	Installed Capacity (MW)
Avignonet-Lauragais	France	2031	5
Les Cigalettes	France	2035	10
Vaughan	Ontario, Canada	2035	1
Five Points	California, United States	2041	60
Frontier	California, United States	2046	20
IMS	Indiana, United States	2029	9
Kettleman	California, United States	2040	20
Lafayette	Alabama, United States	2045	79
Lancaster	California, United States	2034	3
Westlands	California, United States	2034	18
Total:			225

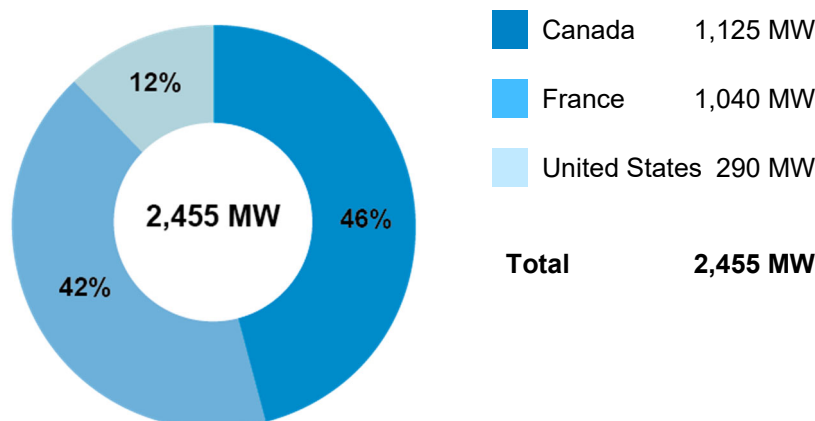
	Installed Capacity (MW)
Grand total:	2,455

⁽¹⁾ Ownership of Boralex.

⁽²⁾ Including renewal thereof.

Major markets, distribution and sale of electricity

The following diagram illustrates the geographical distribution of net installed capacity of Boralex's facilities as of the date of this Annual Information Form.



Economic Dependence

Although the Corporation's operations are not dependent on any specific contractual agreement, the Corporation has three major customers to whom it sells electricity under long-term contracts. As a matter of fact, for the fiscal year ended December 31, 2020, according to IFRS, three customers of the Corporation accounted for at least 10% of its revenues, namely EDF (49%), the IESO (19%) and Hydro-Québec (16%). In 2019, three customers accounted for more than 10% of the Corporation's revenues, namely EDF (47%), IESO (20%) and Hydro-Québec (15%).

Competitive conditions

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

Substantially all of the Corporation's assets are covered by long-term indexed power purchase agreements. The weighted average of remaining life of these contracts is 13 years. In the United States as well as in France, part of the electricity produced is sold on the market.

The Corporation targets development opportunities in the European and North American markets where the Corporation is already present, and which offer strong growth potential for renewable energies. In France, in an increasingly competitive context and given the transition to a method of awarding feed-in premium contracts through a request for proposals system, the Corporation has the necessary strengths to capitalize on development opportunities when they arise due to its long-standing presence and in-depth market knowledge. With a pipeline of around 1,062 MW of projects under development in France, Boralex is in a position to actively participate in the request for proposals processes for the awarding, in tranches, of 20-year feed-in premium contracts. In the United States, the Corporation is deploying resources to develop the niche of small and medium-size sites, a sector that requires specific expertise and where competition is less concentrated. The Corporation is particularly attentive to development opportunities in the solar energy sector, where technology is evolving rapidly, and production costs are constantly decreasing. To begin with, it is focusing its efforts on the high-potential New York State market, with the opening of an office in New York and the hiring of dozens of highly qualified employees.

Availability of raw materials

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

Intangible assets

The intangible assets of the Corporation consist mainly of various power purchase agreements and water rights. The Corporation reported \$1,024 million in intangible assets as at December 31, 2020. The Corporation's intangible assets are related to the following segments:

Segments	Wind	Solar	Hydroelectric	Corporate	Projects under development	Total
Carrying amount as of December 31, 2020 (in millions of dollars)	874	1	133	5	11	1,024

Seasonal activities

The Corporation's operations and results are partly subject to seasonal cycles and other cyclical factors that vary by segment. Since nearly all of Boralex facilities have long-term indexed, fixed-price energy sales contracts, seasonal cycles mainly affect the total volume of power generated by the Corporation. The impact of these cycles is mitigated by diversifying the Corporation's power generation sources and favourable geographical positioning.

Operating volumes at Boralex facilities are influenced as follows:

- Wind conditions both in France and Canada are usually more favourable in the winter, which falls during Boralex's first and fourth quarters. However, in winter there is a greater risk of lower production caused by weather conditions, such as icing.
- Sunlight conditions are typically more favourable in the spring and summer.
- The energy produced depends on water flow, which in Canada and the Northeastern United States is typically at a maximum in spring and high in the fall. Historically, water flow tends to decrease in winter and summer. However, over a long-term horizon, there may be variations from year to year due to short-term weather conditions. Note that apart from four hydroelectric power stations whose water flow is regulated upstream and is not under the Corporation's control, Boralex's other hydroelectric facilities do not have reservoirs that would permit water flow regulation during the year.
- The generation of thermal energy is regulated under contracts in Canada and France with power generation limitation periods for Boralex. Thermal energy is generated in Canada from January to mid April, from July to October and from mid November to December; and in Europe from November to March.

Power production average of the past five years (in %)					
		Q1	Q2	Q3	Q4
	Net Installed capacity(MW) ⁽¹⁾				
Wind	2,002	33	20	17	30
Solar	225	20	31	33	16
Hydroelectric	181	25	31	20	24
Thermal	47	41	16	18	25
Total power production	2,455	32	22	17	29

⁽¹⁾ These measures include CRE's 209 MW solar farms portfolio located in the United States, the acquisition of which was announced by the Corporation in November 2020 and completed in February 2021.

Foreign activities

Except for the Avignonet-Lauragais (Phase 1, 8 MW) and Bougainville(12 MW) wind farms, the operating facilities in France sell their electricity to EDF under long-term agreements having a term of 12 years (cogeneration), 15 or 20 years (wind) and 20 years (solar). The electricity produced by the Ally-Mercoeur (39 MW) site is sold to Orange under a five-year contract and the Chépy (4 MW) and Nibas (12 MW) sites sell their electricity to Auchan under a three-year contract. The electricity produced by the Grand Camp site is sold to the SICAP and the electricity produced at the Coulonges site is sold to SEOLIS. The Morlange and Zondrange projects sell their electricity to UEM and the electricity produced by the Noyers Bucamps site is sold to the Compagnie Nationale du Rhône.

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

In the United States, our operating solar farms recently acquired from CRE, sell their energy under long-term contracts. In California, the Kettleman (20 MW) and Frontier (20 MW) sites sell their power to the City of Palo Alto and the power generated by the Five Points (60 MW), Westlands (18 MW) and Lancaster (3 MW) sites is sold to the University of California, Pacific Gas & Electric Company and to Southern California Edison, respectively. In Alabama, the power generated by the Lafayette site (79 MW) is sold to the Alabama Power Company and the IMS site (9 MW) located in Indiana sells its power to the Indianapolis Power & Light Company.

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

Financial and operational effects of environmental protection requirements

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. These environmental protection requirements result in expenditures by the Corporation both during the development and construction periods and during the operation of renewable energy projects. These expenditures incurred during the development and construction of a project are capitalized once a long-term power purchase agreement or renewable energy credit agreement is entered into with respect to the project or when a project reaches a sufficiently advanced stage of development for management to have a high level of confidence that the project will proceed. If the project does not materialize, these expenditures are deducted from the Corporation's earnings. Environmental protection expenditures incurred after a renewable energy project is commissioned are accounted for as operating expenses.

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

Employees

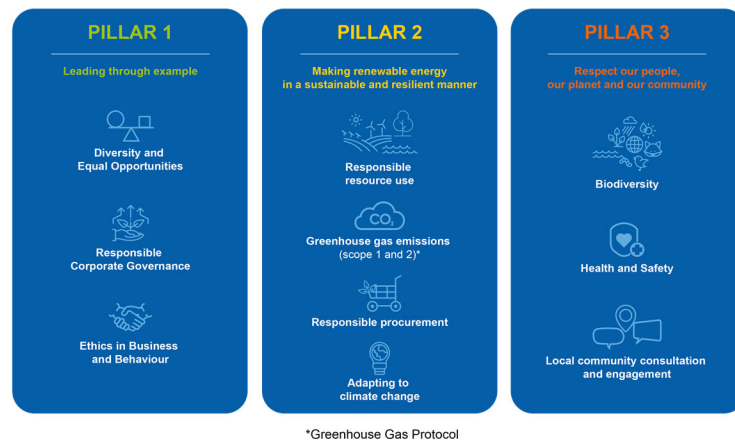
As at December 31, 2020, the Corporation and its subsidiaries had 527 employees. The Corporation's employees have the specialized knowledge and skills to carry out the Corporation's business. When necessary, the Corporation uses external resources to complement the expertise of internal employees.

Corporate social responsibility (CSR)

Working in a socially responsible manner is part of our Corporation's culture, which produces renewable energy in a socially responsible manner since the early 1990s. The Corporation has been committed to doing so in harmony with its surrounding: its employees, its customers, the environment and local communities near its sites. Complying with environmental, social and governance criteria is part of our DNA. In 2020, Boralex structured its corporate social responsibility (CSR) ambitions using the ISO 26000 corporate social responsibility guidelines, an industry benchmark. This strategy, presented in its first report CSR, thus clarifies the Corporation's mandate in terms of sustainable development: to go "Beyond renewable energy".

Developed as a part of an inclusive and collegial approach and taking into account risk and opportunity management, the strategy is broken down into ten priority issues, sorted into three areas of commitment, on which the Corporation is committed to intensifying its efforts until 2025. Boralex chooses a long-term vision for a sustainable future in complete transparency and according to a logic of continuous improvement.

THREE COMMITMENT PILLARS



This strategy also aims to contribute to the UN Sustainable Development Goals (SDGs). Key performance indicators (KPIs) associated with each of these issues are presented in the CSR report. Reporting is done in accordance with the recommendations of the Global Reporting Initiative (GRI).

As a pioneer, Boralex is the first organization in the renewable energy sector to promote a fully integrated vision by giving as much importance to achieving its CSR strategy as it does its strategic plan and its four strategic directions. Shareholders and investors around the world are taking CSR into account in their decision-making process. Doing so has anchored the goals in its business model and contributes to creating value in long-term manner. Boralex therefore believes that its duty to be profitable is matched by its duty to be responsible. Below are some relevant excerpts from the 2020 Corporate Responsibility Report. For more information, consult our CSR report on Boralex's website in the section Our Commitments | Boralex.

Leading through respect

Business and Behavioural Ethics - In 2020, in order to continue promoting an ethical business culture, the Board of Directors reviewed and updated the Code of Ethics that clearly outlines the Corporation's mission and values. The Code of Ethics, which applies to the Corporation's directors, officers, employees, and consultants sets out the general principles that govern acceptable conduct in all the relationships they maintain toward one another, customers, suppliers, providers, partners and communities where the Corporation does business. The Code of Ethics, in addition to the policy on harassment in the workplace, also aims to prevent harassment and intimidation in the workplace and to ensure a respectful and safe workplace for all, free of verbal, physical, psychological or sexual threats.

Diversity and Equal Opportunities - Boralex recognizes how important diversity and inclusion are in creating a fulfilling workplace. Boralex honours the differences that make each person unique by promoting and valuing the diversity of its employees, partners and communities, these include, but are not limited to, ethnicity, gender identity and expression, religion, age and ability. A diversity in experience, perspectives and expression is also highly valued. Going beyond employment equity standards and laws, Boralex demands that all its employees be treated fairly, ethically, and with respect and dignity. Boralex encourages its employees to be authentic and true to their nature at work, so that they can be truly appreciated for who they are and allowed to flourish and contribute to Boralex's mission.

At the same time, guided by the desire to provide an environment that fosters diversity and inclusion in the environments in which the company operates, Boralex is committed to helping its employees appreciate the culture of Aboriginal communities. The ties and trust that unite us with our business partners from Aboriginal communities lead Boralex to promote the richness and diversity of their culture, which must be better understood.

Making renewable energy in a sustainable and resilient manner

Responsible Procurement - The Corporation has also adopted a Sustainable Procurement Charter that aims to develop innovative partnerships and to build mutually beneficial relationships with suppliers, all while contributing to drive local development.

Respect our people, our planet and our community

Health and safety - Boralex strives to create and maintain a safe working environment for our employees as well as for our partners and suppliers. The Corporation has made a “Commitment to Health and Safety”, which includes the integration of health and safety into our management and decision-making process, and the implementation of the health and safety action plan specific to each operation centre.

In addition, all new power plant construction projects, from the moment of its inception to its operation, has a plan to ensure worker safety. As a result, our injury rate remains well below the industry average.

The Corporation also has crisis communication plans, in conjunction with emergency response plans, to centralize information, better assess the issues and take immediate action to ensure the safety of affected people and facilities and restore operations to an acceptable level of service.

Biodiversity - For Boralex, environmental concerns are important or priority elements in any decision about the management or development of the Corporation. Moreover, the Corporation has adopted an environmental mission statement that adopts a proactive, responsible and respectful approach to the environment when developing projects and production sites, in order to minimize the impacts and risks associated with operating power generation facilities. In addition, the Corporation entrusts management of the environmental mission and related matters to qualified and responsible personnel, and ensures the implementation of an environmental action plan at each operations center.

Risk factors and uncertainties

Reference is made to the Corporation’s Management’s Discussion and Analysis for the fiscal year ended December 31, 2020, specifically under the headings “Risk Factors” and “Uncertainties”, which sections are incorporated by reference herein.

7. Dividend policy

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

During the last three fiscal years, the Corporation has paid the following dividends per share:

	2020	2019	2018
Annual dividends per Class A common share	\$0.66	\$0.66	\$0.63
Total dividends paid	\$66 M	\$60 M	\$50 M

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

8. Capital structure

Shares

The share capital of Boralex is composed of an unlimited number of Class A common shares, 102,616,653 of which were issued and outstanding as at December 31, 2020, and an unlimited number of Preferred Shares, none of which had been issued as at December 31, 2020.

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

The Preferred Shares were created in order to allow additional flexibility to the Corporation with respect to future financing, strategic acquisitions and other corporate transactions. They can be issued in series, each series consisting of such number of shares as may be determined by the directors before issuance. 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.

Shareholder Rights Plan

As of the date of this Annual Information Form, the Board of Directors approved the shareholder rights plan (the "Rights Plan"), renewing the shareholder rights plan originally adopted by the Board on March 1, 2018 (the "Existing Plan"). The Existing Plan was ratified by the shareholders of the Corporation at its annual and special meeting held on May 9, 2018 and is expected to terminate at the close of business on the date of the 2021 annual meeting. The Rights Plan will be submitted to the shareholders for ratification at the Corporation's annual and special meeting to be held on May 5, 2021. If approved by the shareholders, the Rights Plan will remain in effect until the close of business on the date on which the annual meeting of the shareholders of the Corporation is held in 2024, and will be renewed in accordance with its terms for an additional three year term (2024 to 2027) provided that the shareholders ratify such renewal at or prior to the annual meeting of shareholders to be held in 2024.

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

The Rights Plan protects against "creeping bids" (i.e. the accumulation of more than 20% of the Class A common shares) through purchases exempt from Canadian take-over bid rules and prevents a potential acquirer from entering into lock-up agreements with existing shareholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan.

9. Market for securities

The Class A common shares are listed on the TSX under the symbol "BLX". The Class A common shares table sets forth the price range, in Canadian dollars, and the trading volume on the TSX and on other alternative platforms for each month of 2020.

Class A Common Shares⁽¹⁾

Month (2020)	Price per Share (\$) Monthly High	Price per Share (\$) Monthly Low	Total Monthly Volume	Average Daily Volume
January	27.87	24.16	9,360,761	425,489
February	32.04	27.20	13,055,015	687,106
March	31.55	17.91	21,583,166	981,053
April	29.08	23.52	9,387,801	447,038
May	30.30	26.33	8,357,431	417,872
June	31.44	26.75	9,883,072	449,231
July	36.48	30.81	11,554,457	525,203
August	35.66	32.50	14,057,950	702,898
September	38.70	32.24	16,072,024	765,334
October	43.32	38.11	14,511,657	691,031
November	42.98	37.70	14,485,422	689,782
December	47.82	37.99	18,341,706	873,415

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

10. Directors and officers

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

Information on the directors

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

Mr. André Courville, Québec (Canada), is a corporate director. From September 18, 2018 to May 1, 2019, M. Courville was Interim President and Chief Executive Officer of Uni-Select Inc., where he was Chairman of the Board since May 2016. In 2015 and 2017, he was President and Chief Executive Officer of the Institute of Corporate Directors (Québec Chapter). He has been a director of Boralex since May 2019.

Ms. Lise Croteau, Québec (Canada), is a corporate director. From 2015 to 2018 she was Executive Vice President and Chief Financial Officer of Hydro-Québec, having served as interim President and Chief Executive Officer of Hydro-Québec from May to July 2015. She serves on the board of Total S.A. since May 2019, and on those of Quebecor Inc. and Quebecor Media Inc. since June 2019. She has been a director of Boralex since May 2018.

Mr. Patrick Decostre, Québec, (Canada), is the President and Chief Executive Officer and director of Boralex since December 2020.

Mr. Ghyslain Deschamps, Québec (Canada), is Executive Vice President, Building Division of EBC Inc., a company active in the building, civil works and mining sectors. He has been a director of Boralex since May 2018.

Ms. Marie-Claude Dumas, Québec (Canada), is Global Director, Major Projects & Programs of WSP Global and Executive Market Leader for Quebec since January 2020. WSP is professional services firm. Prior to joining WSP Global, she was President, Clean Power of SNC-Lavalin from 2017 to 2019 and Executive Vice-President, Human Resources from 2015 to 2017. She has been a director of Boralex since May 2019.

Ms. Marie Giguère, Québec (Canada), is a corporate director. From 2010 to 2016 she was Executive Vice President, Legal Affairs and Secretariat of the Caisse de dépôt et placement du Québec. She has been a director of Boralex since November 2017.

Mr. Edward H. Kernaghan, Ontario (Canada), is Senior Investment Advisor at Kernaghan & Partners Ltd., a brokerage firm. He is also President of Principia Research Inc., a research and investment holding company, and of Kernwood Ltd., an investment holding company. He has been a director of Boralex since June 2006.

Mr. Patrick Lemaire, Québec (Canada), is a corporate director. He was the President and Chief Executive Officer of Boralex from 2006 to 2020 and has been a director of Cascades Inc. since July 2016. He has been a director of Boralex since June 2006.

Mr. Yves Rheault, Québec (Canada), is a corporate director and consultant. He has been a director of Boralex since October 1997.

Mr. Alain Rhéaume, Québec (Canada), is the co-founder and Managing Partner of Trio Capital Inc., a private investment company. He is also a corporate director. He has been a director of Boralex since December 2010 and has been Chairman of the Board since March 2017.

Ms. Dany St-Pierre, Illinois (United States), is President of Cleantech Expansion LLC, a renewable energy consulting firm. She has been a director of Boralex since May 2016.

Information on the executive officers

The following information on the executive officers who are not directors of the Corporation is provided as at the date of this Annual Information Form.

Non-Director Officer	Position with the Corporation	Province and Country of Residence
Marie-Josée Arsenault	Vice President, Talent and Culture	Québec (Canada)
Julie Cusson	Vice President, Public and Corporate Affairs	Québec (Canada)
Guy D'Aoust	Vice President, Finance	Québec (Canada)
Hugues Girardin	Vice President, Development	Québec (Canada)
Bruno Guilmette	Vice President and Chief Financial Officer	Québec (Canada)
Pascal Hurtubise	Vice President, Chief Legal Officer and Corporate Secretary	Québec (Canada)
Nicolas Wolff	Vice President and General Manager Boralex, Europe	France

Hugues Girardin has been engaged in his principal occupation for the past five years. The other executive officers who are not directors of the Corporation have been engaged in the following occupations for the past five years:

- Marie-Josée Arsenault who served as Corporate Director - Human Resources from September 2015 to September 2019.
- Julie Cusson who served as Director of Public Affairs and Communications from March 2016 to September 2019. She was Director, Public and Government Affairs at Valero Inc. from August 2014 to March 2016.
- Guy D'Aoust who served as Director, Finance and Treasury, from September 2008 to November 2016.
- Bruno Guilmette who served as Interim Chief Investment Officer at the Canada Infrastructure Bank between January and June 2018. He was Senior Vice President, Infrastructure Investments, at PSP Investments between November 2005 and December 2015.
- Pascal Hurtubise who served as Vice President, Legal Affairs, North America from November 2016 to June 2017 and Director, Legal Affairs from June 2012 to November 2016.
- Nicolas Wolff who served as General Manager, *Vestas Western Mediterranean* from February 2015 to April 2019.

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 1,137,233 Class A common shares of Boralex, representing approximately 1.11% of the Corporation's issued and outstanding Class A common shares. It should also be noted that no director or executive officer holds directly in his name more than 1% of the Corporation's shares.

Composition of Board committees

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 André Courville, Lise Croteau (Chair), Edward H. Kernaghan, and Dany St-Pierre.
- The Environment, Health and Safety Committee is composed of Ghyslain Deschamps, Marie-Claude Dumas, Marie Giguère, and Dany St-Pierre (Chair).
- The Nomination and Corporate Governance Committee is composed of André Courville, Marie Giguère, Edward H. Kernaghan (Chair), and Dany St-Pierre.
- The Human Resources Committee is composed of André Courville, Marie-Claude Dumas (chair), Marie Giguère, and Yves Rheault.
- The Investment and Risk Management Committee is composed of Lise Croteau, Ghyslain Deschamps, Marie-Claude Dumas, and Yves Rheault (Chair).

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 André Courville, Lise Croteau (Chair), Edward H. Kernaghan, and Dany St-Pierre, 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.

André Courville is a chartered professional accountant. He was previously a senior audit partner at Ernst & Young until June 30, 2014 with 37 years of experience working with Canadian, U.S. and international listed companies in various industries. From September 18, 2018 until May 1, 2019, Mr. Courville was Interim President and Chief Executive Officer of Uni-Select Inc., where he was Chairman of the Board since May 2016. In 2015 and 2017, he was President and Chief Executive Officer of the Institute of Corporate Directors (Québec Chapter). Mr. Courville is also a director, Chair of the Audit and Finance Committee and member of the Executive Committee of the Montreal Heart Institute Foundation.

Lise Croteau has a Bachelor's of Business Administration and was named *Fellow* of the *Ordre des comptables professionnels agréés du Québec* in 2008. From 2015 to 2018 she was Executive Vice President and Chief Financial Officer of Hydro-Québec, having served as interim President and Chief Executive Officer of Hydro-Québec from May to July 2015. Ms. Croteau also held several control and financial management positions with Hydro-Québec. Ms. Croteau has chaired the audit and financial administration committee of the Montreal Museum of Fine Arts and has been a member of the audit committee of the Montreal Heart Institute Foundation. Since 2019, she is a member of the audit committee of Total S.A.

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

Dany St-Pierre has a Bachelor's Degree in Business Administration (marketing) from Université du Québec à Trois-Rivières, and a Master's Degree in Business Administration (M.B.A.) from Laval University. She is President of Cleantech Expansion LLC, a renewable energy consulting firm. She has 25 years of professional experience, including 15 in the energy sector in Canada, the United States and Latin America, having worked for companies like Nordex USA, Alstom Power and Siemens Power Generation. Her corporate experience includes marketing, sales, business development and mergers and acquisitions.

Exemptions

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

Independent auditor's 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:

	2020	2019
(in Canadian dollars)		
Audit fees	571,675	693,250
Audit-related fees	1,116,500	724,650
Tax fees		-
All other fees	108,000	-
Total	1,796,175	1,417,900

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

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

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

“Other fees” consist of all fees paid for translation services, advisory services and fees related to the auditor’s involvement with offering documents, if any.

Audit committee preapproval policy

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

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

12. Legal proceedings

None of the Corporation or its subsidiaries was, during the year ended December 31, 2020, subject to any legal proceedings that would have a material adverse effect on it or that represent an amount exceeding 10% of the consolidated assets of the Corporation. A description of certain legal proceedings to which the Corporation is a party is found below and is also included in the audited annual consolidated financial statements of Boralex for the year ended December 31, 2020, incorporated herein by reference.

On September 16, 2016, the Corporation completed the acquisition of the Moulins du Lohan (51 MW) project located in Bretagne, France. The construction permits were obtained in 2014 from the administration of the Morbihan department and construction had begun before the Corporation’s acquisition. On April 14, 2017, land owners filed a motion to have construction on the project cease, pending a court decision regarding the cancellation of the permits issued by the Prefect of Morbihan. On July 7, 2017, the Administrative Tribunal of Rennes cancelled the authorizations for the Moulins du Lohan project based on its subjective risk assessment of damage to the interests protected by the *Code de l’environnement*. As a result of these proceedings, construction of the project has halted. The Corporation has appealed this decision. The appeal was heard before the Cour administrative d’appel de Nantes on February 4, 2019, which rendered a decision in favour of Boralex on March 5, 2019. These rulings of the Cour administrative d’appel de Nantes are the subject of an appeal in cassation filed by the Société pour la protection des paysages et de l’esthétique de la France with the Conseil d’état in May 2019. A decision of the Conseil d’état is expected during 2021.

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

Under the power purchase agreements entered into with Hydro-Québec Distribution for its wind power projects, the Corporation's project entities must comply with certain regional content requirements regarding the costs associated with wind farm turbines (the "regional content requirements") and certain Québec content requirements regarding overall wind farm costs (collectively with the regional content requirements, the "local content requirements"). These requirements apply to all Québec wind power projects built by the Corporation's project entities or other producers under requests for proposals issued from 2005 to 2009. Failure to comply with these requirements may result in penalties being imposed under these power purchase agreements.

In accordance with customary practices, in circumstances where the compliance or noncompliance with local content requirements under a power purchase agreement primarily depends on the wind turbine manufacturer's compliance, the Québec projects of Boralex had obtained a commitment from Enercon Canada Inc. ("Enercon Canada") to pay any associated penalties. Enercon Canada's obligations under the wind turbine purchase contracts are guaranteed by its parent company, Enercon GmbH.

In connection with this dispute, Hydro-Québec filed an originating application on April 18, 2019 with the Superior Court of Québec against Le Plateau Wind Power L.P. ("Le Plateau L.P.") (a partnership operating the Le Plateau I wind farm of which the Corporation indirectly owned 51% of the outstanding units and now owns 100% since November 30, 2020), Enercon Canada and Enercon GmbH to determine the applicable calculation methodology and to obtain documents in the possession of Enercon Canada and Enercon GmbH. The application also seeks to order the defendants, in solidum, to pay Hydro-Québec an amount of less than \$1 million together with interest and additional indemnities. Hydro-Québec specifies that this amount represents the minimum penalty only, that is, the difference of one percentage point between the regional content requirements and the regional content actually achieved, and that this amount needs to be adjusted as it considers that the actual difference is greater than one percentage point. Le Plateau L.P. impleaded Enercon Canada and Enercon GmbH in warranty under the turbine purchase agreement, requiring Enercon Canada and Enercon GmbH to pay the applicable penalties. In addition, according to Enercon Canada, Invenergy Wind Canada Development ULC ("Invenergy ULC") failed to meet its obligations under a frame agreement under which Invenergy ULC committed to purchase Enercon turbines, while Enercon Canada had committed to increase the guaranteed regional content to 51% for Le Plateau I wind farm. Under the circumstances, Invenergy ULC submitted an application for voluntary intervention as a result of this allegation by Enercon Canada with respect to the frame agreement. In the event of nonpayment, Hydro-Québec Distribution may exercise its right to offset any penalty against the amounts payable to Le Plateau L.P. for the energy delivered by the wind farm in question, which would affect the revenues received by those wind farms until Enercon Canada and Enercon GmbH have paid the penalties in full.

13. Transactions

No director, executive officer or shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of any category of shares of the Corporation or known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction within the last three years or during the current financial year or in any proposed transaction that has materially affected or will materially affect the Corporation, other than the following transactions with the Caisse. To the knowledge of the Corporation, the Caisse was, and still is, the owner of common shares of Boralex representing approximately 12.6% of the issued and outstanding common shares as at December 31, 2020:

- (i) The Corporation has an office lease contract with Ivanhoé Cambridge, an entity in which the Caisse holds an interest as well.
- (ii) On March 29, 2018, CDPQ Revenu Fixe inc., a subsidiary of the Caisse, invested an amount of \$170 million in the form of unsecured subordinated debt with a 10-year maturity. On July 24, 2018, Boralex drew an amount of \$80 million available under Tranche B. For more information, see Sub-section “2018” in Section 5.
- (iii) On July 11, 2018, Boralex closed a private placement of subscription receipts of Boralex to the Caisse for gross proceeds of approximately \$52 million, which includes the full exercise of the private placement option by the Caisse. As part of the review and approval of the private placement by Boralex’s Board, the two independent directors appointed by the Caisse to Boralex’s Board did not participate in the debate regarding the private placement and abstained from voting on it.
- (iv) On September 14, 2018, Boralex closed the acquisition of all Invenergy’s economic interests in 5 wind farms in Québec for a total cash consideration of \$216 million, subject to post-closing adjustments to the purchase price under the acquisition agreements. The Caisse then indirectly held a 52.4% economic interest in Invenergy. As part of the review and approval of the acquisition by Boralex’s Board, the two independent directors appointed by the Caisse to Boralex’s Board did not participate in the debate regarding the acquisition and abstained from voting on it.
- (v) On April 25, 2019, Boralex Europe Sàrl closed the refinancing of a debt totalling \$60 million (€40 million) owed to Cube Hydro-Power SARL (previously Cube Energy SCA) with CDPQ Revenu Fixe Inc., a subsidiary of the Caisse. The credit agreement stipulates a maturity date in five years with repayment of the full amount of the loan on the maturity date. In the context of the review and approval of the refinancing by the Board of Directors of Boralex, the two independent directors appointed by the Caisse to the Board of Directors of Boralex did not participate in the deliberations on the refinancing and abstained from voting on the matter.
- (vi) On November 30, 2020, Boralex closed the acquisition of all of the Caisse’s 49% interest in three wind farms in Québec (Des Moulins I, Des Moulins II and Le Plateau I). Boralex paid a cash consideration of \$121 million to the Caisse, which may be supplemented by a conditional consideration of up to \$4 million in cash under the terms of the agreement, subject to the settlement of certain future conditions to be met. As part of the review of the acquisition by the Boralex’s Board, and its approval, the two independent directors appointed by the Caisse to the Board of Directors of Boralex did not participate in the deliberations on the acquisition and abstained from voting on the matter.

For additional information with respect to certain related party transactions to which the Corporation is a party, see note 24, - Related Party Transactions of the Corporation’s audited annual financial statements for the year ended December 31, 2020.

14. Transfer agent and registrar

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

15. Material contracts

The material contracts entered into during the year ended December 31, 2020 and those entered previously, and which are still in effect are:

RSP Énergie Inc. Management Agreement

Management Agreement dated June 20, 2017 between the Corporation and RSP Énergie Inc., under which the Corporation manages and operates two hydroelectric power stations having a total capacity of 13 MW until September 7, 2034. The management agreement is automatically renewable for successive one-year terms. It replaces the management agreement entered into on April 2, 2003 between the Corporation and RSP Énergie Inc., the term of which ended in 2018.

Thames River Financing Agreement

Pursuant to a loan agreement dated March 10, 2010 entered into between Boralex Ontario Holdings LP, Boralex Ontario Energy Holdings 2 LP and a consortium of Canadian life insurance companies formed and headed by Manulife Financial Corporation, Boralex announced the refinancing for Phase I (40 MW) of the Thames River wind farm, and the refinancing for Phase II (50 MW) at the same site. The total amount involved is \$195 million. The loan will be amortized over 21 years, at a rate of 7.05% for the entire term of the loan.

Seigneurie de Beauré Financing

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

Investor rights agreement

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

Refinancing of substantially all wind farm operations in France

On November 28, 2019, Boralex announced the closing of agreements to refinance substantially all of its wind farms in operation in France, for a total of \$1.5 billion (€1 billion), with a group of lenders composed of Crédit industriel et commercial, Bpifrance Financement, Crédit Agricole Corporate and Investment Bank, AUXIFIP, CaixaBank, S.A., and La Banque Postale. The refinancing is divided among three non-recourse credit agreements dated November 25, 2019 with the aforementioned group of lenders, as follows: (i) a credit agreement entered into by Boralex Production S.A.S. for an amount of \$264 million (€180 million) maturing in 2030, (ii) a credit agreement entered into by Boralex Énergie France S.A.S. for an amount of \$353 million (€241 million) maturing in 2036, and (iii) a credit agreement entered into by Boralex Sainte-Christine S.A.S. for an amount of \$855 million (€584 million) maturing in 2039, including a tranche of \$206 million (€141 million) for the construction of previously identified projects. Finally, an additional \$182 million (€125 million) tranche to finance the construction of future projects was entered into on January 29, 2020 between Boralex Energy Investment S.A.S. and the aforementioned group of lenders.

16. Interests of experts

PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L., Partnership of Chartered Professional Accountants, is the independent auditor of the consolidated financial statements of the Corporation who prepared an independent auditor's report dated February 24, 2021 in respect of the Corporation's consolidated financial statements and related notes as at December 31, 2020 and 2019 and for the years then ended. PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L. has advised that they are independent with respect to the Corporation within the meaning of the *Code of ethics of chartered professional accountants* of Québec.

17. Additional information

Additional information, including directors' and officers' remuneration, loans granted to them, principal holders of the securities of Boralex, and securities authorized for issuance under equity compensation plans, if any, is included in the management proxy circular dated March 12, 2020, and will be included in the management proxy circular prepared in connection with the 2021 annual meeting of shareholders of Boralex which will take place on May 5, 2021.

Additional financial information pertaining to the financial year ended December 31, 2020 is included in the audited annual financial statements of Boralex for the year ended December 31, 2020, and the related Management's Discussion and Analysis, which are specifically incorporated by reference herein and are available at www.sedar.com.

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

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

Boralex Inc.
Administrative Offices
Corporate Secretary Offices
900, de Maisonneuve Boulevard West, 24th Floor
Montréal, Québec H3A 0A8
Telephone: 514-284-9890
Facsimile: 514-284-9895

Schedule “A” - Audit committee charter

1. Composition and quorum

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

2. Committee meetings

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

3. Mandate

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

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

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

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

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

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

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

The responsibilities of the Audit Committee include the following:

A. Financial reporting

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

B. Financial risk management and internal controls

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

C. Auditor

- Make recommendations to the Board concerning the appointment and remuneration of the auditor following its evaluation and review of its qualifications, performance and independence in accordance with Canadian Public Accountability Board standards;
- Ensure that the auditor reports directly to the Committee;
- Approve and oversee the disclosure of all audit, review or attest services provided by the auditor; determine which non-audit services the auditor may not provide, and pre-approve and oversee the disclosure of permitted non-audit services provided to Boralex or its subsidiaries, divisions or joint ventures in accordance with applicable laws and regulations;
- Discuss with the auditor the quality and not just the acceptability of the Corporation's accounting principles, including: i) all critical accounting policies and practices used; ii) any alternative treatments of financial information that have been discussed with management, the ramifications of their use and the treatment preferred by the auditor; and iii) any other material written communication between management and the auditor;

- Resolve any disagreement or unresolved issue between management and the auditor that could have an impact on the consolidated financial statements or on the existing measures and procedures to remedy it;
- Review, at least once a year, the auditor's report describing the auditor's relationship with Boralex and confirming their independence, and discuss with it any relationship or service that may impact the quality of its auditing services, its objectivity or independence;
- Approve and review, at least once a year, the Corporation's policy on auditor independence, including the rules for hiring the auditor's personnel.

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

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

What does positioning for sustainable growth mean?

Although eclipsed by the pandemic, the climate crisis remains unresolved. We must therefore leverage everyone's strengths to drive the essential global energy transition. Collaborating and contributing to the decarbonization of the world's economies and business activities is the only way forward. A leadership that Boralex, as a private producer of renewable energy, is able to exemplify with its partners with skill and passion. Because Boralex is, above all:

A team that believes in the need to accelerate the energy transition

The women and men who make up Boralex are dedicated to providing clean energy solutions to governments, businesses and communities, adapting its wind, solar, hydroelectric and storage projects to local communities, and maximizing economic benefits.

A socially responsible investment

Boralex has an ambitious strategic plan to grow, diversify, optimize, as well as expand its customer base to keep generating value for its shareholders. Its continued success and responsible management give it the means to pursue its ambitions, making it a high-potential investment.

An inclusive and collaborative culture

Fostering a creative, supportive and open work environment naturally promotes innovation. In addition, a sense of belonging and valuing differences make Boralex an ideal place for top talent to fulfill their potential and contribute to a greener, more sustainable future.

General Information

HEAD OFFICE

Boralex Inc.
36 Lajeunesse Street
Kingsey Falls, Quebec
Canada J0A 1B0
Telephone: 819-363-6363
Fax: 819-363-6399
communications@boralex.com

WEBSITE AND SOCIAL MEDIA

www.boralex.com



@BoralexInc
@boralexfr

BUSINESS OFFICES

CANADA

900 de Maisonneuve Boulevard West
24th floor
Montreal, Quebec
Canada H3A 0A8
Telephone: 514-284-9890
Fax: 514-284-9895

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

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

UNITED STATES

39 Hudson Falls Street
South Glens Falls New York
12803
United States
Telephone: 518-747-0930
Fax: 518-747-2409

FRANCE

12 rue Vignon
75009 **Paris**
France
Telephone: 33 (0)4 78 92 68 70

8, rue Anatole France
59000 **Lille**
France
Téléphone : 33 (0)3 28 36 54 95

18, rue de la République
13001 **Marseille**
France
Telephone: 33 (0)4 78 92 68 70

71, rue Jean Jaurès
62575 **Blendecques**
France
Telephone: 33 (0)3 21 88 07 27

Sky 56 - CS 43858
18, Rue du Général Mouton Duvernet
69487 **Lyon**
France
Telephone: 33 (0)4 78 92 68 70



Meredith Halfpenny
Wind Site Technician,
NRWF

BORALEX

boralex.com



@BoralexInc
@boralexfr