INNERGEX

INNERGEX RENEWABLE ENERGY INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED
DECEMBER 31, 2017

February 21, 2018

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INTRODUCTION

The information set out in this Annual Information Form is stated as at December 31, 2017 and all money-related amounts are stated in Canadian dollars, unless otherwise specified.

Unless otherwise indicated or the context otherwise requires, all reference to the "**Corporation**", to "**Innergex**, "**we**" "**our**" and "**us**" refers to Innergex Renewable Energy Inc. and its subsidiaries. Terms not otherwise defined have the meaning set forth in the "Glossary of Terms" included at the end of this document.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

To inform readers of the Corporation's future prospects, this Annual Information Form contains forward-looking information within the meaning of applicable securities laws ("**Forward-Looking Information**"). Forward-Looking Information can generally be identified using words such as "approximately", "may", "will", "could", "believes", "expects", "intends", "should", "plans", "potential", "project", "anticipates", "estimates", "scheduled" or "forecasts", or other comparable terminology that state that certain events will or will not occur. It represents the projections and expectations of the Corporation relating to future events or results as of the date of this Annual Information Form.

Future-Oriented Financial Information: Forward-Looking Information includes future-oriented financial information or financial outlook within the meaning of securities laws, such as expected production and estimated project costs, to inform readers of the potential financial impact of expected results, of the expected commissioning of Development Projects, of the potential financial impact of the Alterra Acquisition and the Corporation's ability to fund its growth. Such information may not be appropriate for other purposes.

Assumptions: Forward-Looking Information is based on certain key assumptions made by the Corporation, including, without restriction, those concerning hydrology, geothermal resources, wind regimes and solar irradiation, performance of operating facilities, financial market conditions and the Corporation's success in developing new facilities.

Risks and Uncertainties: Forward-Looking Information involves risks and uncertainties that may cause actual results or performance to be materially different from those expressed, implied or presented by the Forward-Looking Information. These are referred to in the "Risk Factors" section of this Annual Information Form and include, without limitation: the ability of the Corporation to execute its strategy for building shareholder value; its ability to raise additional capital and the state of the capital markets; liquidity risks related to derivative financial instruments; variability in hydrology, geothermal resources, wind regimes and solar irradiation; delays and cost overruns in the design and construction of projects; the ability to secure new power purchase agreements or renew any power purchase agreement; fluctuation affecting prospective power prices; health, safety and environmental risks; uncertainties surrounding the development of new facilities; obtainment of permits; equipment failure or unexpected operations and maintenance activity; interest rate fluctuations and refinancing risk; financial leverage and restrictive covenants governing current and future indebtedness; the possibility that the Corporation may not declare or pay a dividend; potential undisclosed liabilities associated with the Alterra Acquisition; failure to realize the anticipated benefits of the Alterra Acquisition; integration of the Alterra Acquisition; changes in governmental support to increase electricity to be generated from renewable sources by independent power producers; variability of installation performance and related penalties; the ability to attract new talent or to retain officers or key employees; litigation; performance of major counterparties; social acceptance of renewable energy projects; relationships with stakeholders; equipment supply; exposure to many different forms of taxation in various jurisdictions; changes in general economic conditions; regulatory and political risks; ability to secure appropriate land; reliance on PPAs; availability and reliability of transmission systems; foreign market growth and development risks; foreign exchange fluctuations; increases in water rental cost or changes to regulations applicable to water use; assessment of water, wind, geothermal and sun resources and associated electricity production; natural disasters and *force majeure*; dam failure; cybersecurity; sufficiency of insurance coverage limits and exclusions; a credit rating that may not reflect actual performance of the Corporation or a lowering (downgrade) of the credit rating; integration of the facilities and projects acquired and to be acquired; failure to realize the anticipated benefits of acquisitions; reliance on shared transmission and interconnection infrastructure and the fact that revenues from certain facilities, including the Miller Creek facility will vary based on the spot price of electricity; risks related to U.S. production tax credits, changes in U.S. corporate tax rates and availability of tax equity financing; host country economic, social and political conditions; risk inherent in geothermal resources; aluminum price risks; geological occurrences, rockslides, avalanches or other occurrences outside the Corporation's control; adverse claims to property title; unknown liabilities; reliance on intellectual property and confidential agreements to protect our rights and confidential information.

Although the Corporation believes that the expectations and assumptions on which Forward-Looking Information is based are reasonable under the current circumstances, readers are cautioned not to rely unduly on this Forward-Looking Information as no assurance can be given that it will prove to be correct. Forward-Looking Information contained herein is made as at the date of this Annual Information Form and the Corporation does not undertake any obligation to update or revise any Forward-Looking Information, whether as a result of events or circumstances occurring after the date hereof, unless so required by law.

The following table outlines the Forward-Looking Information contained in this Annual Information Form which the Corporation considers important, to better inform readers about its potential financial performance, together with the principal assumptions used to derive this information and the principal risks and uncertainties that could cause actual results to differ materially from this information.

Principal Assumptions	Principal Risks and Uncertainties
Expected production For each facility, the Corporation determines a long-term average annual level of electricity production over the expected life of the facility, based on engineers' studies that take into consideration a number of important factors: for hydroelectricity, the historically observed flows of the river, the operating head, the technology employed and the reserved aesthetic and ecological flows; for wind energy, the historical wind and meteorological conditions and turbine technology; for geothermal power facilities, the historical geothermal resources natural depletion of geothermal resources over time, the technology used and the potential of energy loss to occur before delivery and for solar energy, the historical solar irradiation conditions, panel technology and expected solar panel degradation. Other factors taken into account include, without limitation, site topography, installed capacity, energy losses, operational features and maintenance. Although production will fluctuate from year to year, over an extended period it should approach the estimated long-term average.	Improper assessment of water, wind, geothermal and sun resources and associated electricity production Variability in hydrology, wind regimes, geothermal resources and solar irradiation Natural depletion of geothermal resources Change in the hydrological balance of the resource Equipment failure or unexpected operations and maintenance activity Natural disaster
Estimated project costs, expected obtainment of permits, start of construction, work conducted and start of commercial operation for development projects or prospective projects For each development project, the Corporation provides an estimate of project costs based on its extensive experience as a developer, directly related incremental internal costs, site acquisition costs and financing costs, which are eventually adjusted for the projected costs provided by the engineering, procurement and construction contractor retained for the project. The Corporation provides indications regarding scheduling and construction progress for its Development Projects and indications regarding its Prospective Projects, based on its experience as a developer.	Performance of counterparties, such as suppliers or contractors Delays and cost overruns in the design and construction of projects Obtainment of permits Equipment supply Interest rate fluctuations and financing risk Relationships with stakeholders Regulatory and political risks Higher-than-expected inflation Natural disaster
Intention to Submit Projects Under Requests for Proposals The Corporation provides indications of its intention to submit projects under requests for proposals ("**Request for Proposals**" or "**RFP**") based on the state of readiness of some of its Prospective Projects and their compatibility with the announced terms of these RFPs.	Regulatory and political risks Ability of the Corporation to execute its strategy for building shareholder value Ability to secure new power purchase agreements ("**PPA**")
Intention to gain a foothold in target markets internationally The Corporation provides indications of its intention to establish a presence in target markets internationally in the coming years, based on its growth strategy.	Regulatory and political risks Ability of the Corporation to execute its strategy for building shareholder value Ability to secure new PPAs Foreign exchange fluctuations

CORPORATE STRUCTURE

The Corporation was incorporated in Canada under the *Canada Business Corporations Act* by articles of incorporation dated October 25, 2002. The articles of the Corporation were amended as follows:

Dates	Description of the Amendments to the Articles of the Corporation
October 25, 2007	To change its name from Innergex Management Inc. to Innergex Renewable Energy Inc. and its French version, Innergex énergie renouvelable inc.
December 4, 2007	To change the authorized capital of the Corporation and the minimum number of directors of the Corporation from one to three.
December 4, 2007	To amend the authorized share capital of the Corporation and to create an unlimited number of common shares (the "**Common Shares**") and an unlimited number of preferred shares, issuable in series (the "**Preferred Shares**").
March 29, 2010	By way of articles of arrangement filed regarding the Arrangement (as defined below).
September 10, 2010	To create the Cumulative Rate Reset Preferred Shares, Series A (the "**Series A Shares**") and the Cumulative Floating Rate Preferred Shares, Series B (the "**Series B Shares**") in connection with the Corporation's public offering of Series A Shares.
May 12, 2011	To introduce a voting right, in certain limited circumstances, for holders of Preferred Shares of the Corporation.
January 1, 2012	By way of articles of amalgamation filed regarding the amalgamation between the Corporation and its subsidiary, Cloudworks Energy Inc.
December 6, 2012	To create the Cumulative Redeemable Fixed Rate Preferred Shares, Series C (the "**Series C Shares**") regarding the Corporation's public offering of Series C Shares.

The Corporation's head and registered office is located at 1225 Saint−Charles Street West, 10th Floor, Longueuil, Québec, J4K 0B9.

A corporate chart of the Corporation and its material subsidiaries as well as certain other material ownership interests of the Corporation as at February 21, 2018 is attached hereto as Schedule A, which excludes however some subsidiaries of the Corporation for which the assets and revenue in the aggregate did not exceed 20% of the total consolidated assets and revenue of the Corporation for the year ended December 31, 2017.

GENERAL DEVELOPMENT OF THE BUSINESS

As of February 21, 2018, the Corporation is a developer, owner and operator of run-of-river hydroelectric facilities, wind energy farms, geothermal power facilities and solar photovoltaic farms. The Corporation owns or operates various renewable power generating facilities in Canada in the Provinces of Québec, British Columbia ("**BC**") and Ontario, in France, in the United States and in Iceland.

The Corporation has been active in the renewable power industry since 1990 and has, as of February 21, 2018, on its own or through various ventures developed and brought to commercial operation 17 hydroelectric facilities, seven wind farms and one solar photovoltaic farm, has acquired and refurbished three hydroelectric facilities and has acquired thirteen hydroelectric power facilities, one wind farm in BC, one wind farm in the United States and 15 wind farms in France, two solar farms in the United States and two geothermal power facilities in Iceland, representing a net aggregate installed capacity of 1,501.8 megawatt ("**MW**") (gross 2,685.6 MW). The Corporation currently wholly owns or together with its partners, 24 wind farms, 34 hydroelectric facilities, three solar photovoltaic farms and two geothermal power facilities in operation with respective net aggregate installed capacities of 670.7 MW (gross 1,429.4 MW), 684.3 MW (gross 1,028.5 MW), 53.0 MW (gross 53.7 MW) and 93.8 MW (gross 174.0 MW), respectively, two development projects are under construction with an aggregate net installed capacity of 107.4 MW (gross 210 MW). The development projects are expected to reach the commercial operation stage in the first half of 2018 and in 2020. All the Prospective Projects are in various stages of development with a combined potential net installed capacity of 8,530 MW (gross 9,200 MW). Finally, the Corporation also owns a 53.9% interest in a subsidiary which has a 30% stake in the Blue Lagoon Geothermal Spa and Resort located in Iceland. See "Description of the Business and Assets of the Corporation - Portfolio of Assets".

Recent Developments

On February 6, 2018, the Corporation announced the completion of the acquisition of Alterra by way of an arrangement agreement pursuant to which the Corporation acquired all of the issued and outstanding common shares of Alterra for an aggregate transaction value of $1.1 billion, including the assumption of Alterra's debt (the "**Alterra Acquisition**"). Pursuant to the Alterra Acquisition, Alterra shareholders had the right to elect to receive either $8.25 in cash ("**Cash Alternative**") or 0.5563 of the Corporation's common shares ("**Share Alternative**") for each Alterra common share, subject in each case to the pro-ration, such that the aggregate consideration paid to all Alterra shareholders consisted of approximately 25% in cash and 75% in the Corporation's common shares.

Ross J. Beaty, a former member of the Board of Directors of Alterra joined the Board of Directors of the Corporation at the closing of the Alterra Acquisition.

Subordinated Loan from la Caisse de dépôt et placement du Québec

Concurrently to the closing of the Alterra Acquisition, the Corporation has closed a $150 million subordinated unsecured 5-year term loan at a 5.13% interest rate with la Caisse de dépôt et placement du Québec (la "**Caisse**").

Increase to the revolving credit facilities

On February 6, 2018, the Corporation announced that it had increased its revolving credit facilities by $225 million to $700 million and added a new lender to the syndicate of lenders. The maturity of the revolving credit facilities remains December 2022.

Three-Year Summary

Financial Year 2017
On February 21, 2017, the Corporation executed a Fifth Amended and Restated Credit Agreement of its existing $425 million revolving credit facility. These amendments added flexibility to the Corporation to borrow in EURO via EURIBOR loans. The Corporation also extended its revolving term from 2020 to 2021 (except for one lender of $42.5 million whose commitment remains until 2020) to provide greater financing flexibility. Moreover, a Letter of Credit Facility of an amount of up to $30 million guaranteed by Export Development Canada (EDC) was added. This Fifth Amended and Restated Credit Agreement has been amended by the Sixth Amended and Restated Credit Agreement dated February 6, 2018.

On February 21, 2017, the Corporation and Desjardins Group Pension Plan ("**Desjardins**") completed the purchase of the Yonne Wind Farm, a 44 MW wind farm commissioned in early 2017 and part of the French wind projects acquisition concluded in April 2016 ("**Yonne Wind Farm**"). The electricity produced by the Yonne Wind Farm is sold under a power purchase agreement, at fixed price, for an initial term of 15 years, to Électricité de France. The total purchase price amounts to €35.2 million (or $49 million) and is subject to certain adjustments. See "Description of the Business and Assets of the Corporation – Operating Wind Farms – Wind Farms located in France".

On April 6, 2017, Upper Lillooet River Power Limited Partnership began commercial operation of the 81.4 MW Upper Lillooet River run-of-river hydroelectric facility located in British Columbia. See "Description of the Business and Assets of the Corporation – Operating Hydroelectric Facilities – Hydroelectric Facilities located in British Columbia."

On May 24, 2017, the Corporation completed the acquisition from Velocita Energy Developments (France) Limited ("**Velocita**") of three wind projects in France with a total aggregate installed capacity of 119.5 MW, namely Rougemont-1 and Vaite which reached commercial operation within the same day of the announcement and Rougemont-2 on December 1st, 2017.

On May 26, 2017, Boulder Creek Power Limited Partnership began commercial operation of the 25.3 MW Boulder Creek run-of-river hydroelectric facility located in British Columbia. See "Description of the Business and Assets of the Corporation – Operating Hydroelectric Facilities – Hydroelectric Facilities located in British Columbia".

On August 15, 2017, the Corporation announced that it received approval from the Toronto Stock Exchange ("**TSX**") to proceed with a normal course issuer bid on its Common Shares (the "**2017 Bid**"). Under the 2017 Bid, the Corporation can purchase for cancellation up to 2,000,000 of its Common Shares representing approximately 1.84% of its issued and outstanding Common Shares. The 2017 Bid commenced on August 17, 2017 and will terminate on August 16, 2018. As of February 20, 2018, the Corporation purchased for cancellation a total of 752,794 Common shares under the 2017 Bid.

On August 25, 2017, the Corporation announced that it had completed the acquisition of two wind projects in construction from BayWa r.e. namely the Eole de Plan Fleury wind farm with a total aggregate installed capacity of 22 MW which began commercial operation during the third quarter of 2017 and the Les Renardières wind farm with a total capacity of 21 MW which reached commissioning on November 18, 2017. See "Description of the Business and Assets of the Corporation – Operating Wind Farms – Wind Farms located in France".

On October 30, 2017, the Corporation and Alterra Power Corp. announced that they had entered into an arrangement agreement (the "**Arrangement Agreement**") pursuant to which the Corporation agreed to acquire at a price of $8.25 per share all of the issued and outstanding common shares of Alterra ("**Alterra Common Shares**") for an aggregate transaction value of $1.1 billion, including the assumption of Alterra's debt. Pursuant to the Alterra Acquisition, Alterra shareholders would receive an aggregate consideration, which would consist of approximately 25% in cash and 75% in common shares of Innergex. The Alterra Acquisition closed on February 6, 2018.

Summary of Alterra's Projects

Operating	Energy	Country	Ownership	Net Installed Capacity (MW)
Shannon[(1)]	Wind	U.S.	50%	102
East Toba	Hydro	Canada	40%	59
Montrose Creek	Hydro	Canada	40%	35
Reykjanes 1-2	Geothermal	Iceland	53.9%	54
Svartsengi	Geothermal	Iceland	53.9%	40
Dokie 1	Wind	Canada	26%	37
Jimmie Creek	Hydro	Canada	51%	32
Kokomo[(1)]	Solar	U.S.	90%	6
Spartan[(1)]	Solar	U.S.	100%	14
Operating				**378**

(1) Percentage of ownership reflects the Corporation's portion of sponsor equity partnership.

Under construction	Energy	Country	Ownership[(1)]	Net Installed Capacity (MW)
Flat Top	Wind	U.S.	51%	102
Brúarvirkjun	Hydro	Iceland	53.9%	5
Under construction				**107**

(1) Percentage of ownership reflects the Corporation's portion of sponsor equity partnership.

Prospective projects[(1)]	Energy	Country	Ownership	Net Installed Capacity (MW)
Advanced-Stage				
Foard City (PTC Qualified)	Wind	U.S.	100%	350
Reykjanes	Geothermal	Iceland	53.9%	16
Boswell Springs (PTC Qualified)	Wind	U.S.	100%	320
Advanced-Stage				**686**
Other Prospective Projects				**>3,500**

(1) There is no certainty that these projects will materialize on time and on budget and the number of MWs per project could vary.

The acquisition of Alterra also included a 54% interest in a subsidiary which owns a 30% stake of the Blue Lagoon Geothermal Spa and Resort located in Iceland.

On October 31, 2017, the Corporation announced that its revolving credit facilities, led by TD Securities Inc. and BMO Capital Markets, were increased by $50 million. Wells Fargo Bank, N.A., Canada Branch was added to the syndicate of lenders which includes Toronto-Dominion Bank, Bank of Montreal, National Bank of Canada, Canadian Imperial Bank of Commerce, Fédération des caisses Desjardins du Québec and the Bank of Tokyo-Mitsubishi UFJ, Canada Branch. The Corporation also extended the maturity of its revolving facilities from December 2021 to December 2022 to provide greater financing flexibility.

On November 14, 2017, the Corporation announced that it had received the approval from the TSX to implement an automatic purchase plan under its 2017 Bid.

On December 1, 2017, the Rougemont-2 44.5 MW wind farm located in Bourgogne-Franche-Comté, France reached commercial operation. See "Description of the Business and Assets of the Corporation – Operating Wind Farms – Wind Farms located in France".

Financial Year 2016

On January 7, 2016, the Corporation announced that after having taken into account all election notices received following the December 31, 2015 conversion deadline, in respect to the Series A Shares tendered for conversion into Series B Shares, the holders of Series A Shares were not entitled to convert their shares. There were 357,543 Series A Shares tendered for conversion, which is fewer than the 1,000,000 shares required for the ability to proceed with the conversion, in accordance with the terms of the Series A Shares. The dividend rate of the Series A Shares for the five year period from January 15, 2016 to but excluding January 15, 2021 is 3.608% per annum or $0.2255 per share per quarter. See "Description of Capital Structure - Preferred Shares – Series A Shares and Series B Shares".

On February 25, 2016, the Corporation, in partnership with the Cayoose Indian Band, completed the acquisition of the 16 MW Walden North hydroelectric facility (the "**Walden Facility**") commissioned in 1993 and located on private land in Cayoosh Creek near Lillooet, British Columbia. See "Description of the Business and Assets of the Corporation – Operating Hydroelectric Facilities – Hydroelectric Facilities located in British Columbia".

On March 21, 2016, the Corporation announced that it has received approval from the TSX to renew the normal course issuer bid on its Common Shares and to commence a normal course issuer bid on its Series A Shares and Series C Shares (the "**2016 Bids**"). Under the 2016 Bids, the Corporation may purchase for cancellation up to 2,000,000 Common Shares representing 1.92% of its issued and outstanding Common Shares and, respectively, up to 68,000 and 40,000 Series A Shares and Series C Shares, representing 2% of the issued and outstanding respective series of preferred shares (as at March 24, 2016). The 2016 Bids commenced on March 24, 2016 and terminated on March 23, 2017. Under the 2016 Bids, the Corporation did not purchase any of its Common Shares, Series A Shares or Series C Shares.

On April 15, 2016, the Corporation completed the acquisition of seven operating wind farms with an installed capacity of 86.8 MW, namely the Porcien, Longueval, Antoigné, Vallottes, Bois d'Anchat, Beaumont and Cholletz wind farms (collectively referred to as, the "**Seven French Entities**") and committed to acquire the Yonne Wind Farm that was under construction with an installed capacity of 44 MW from a German company, wpd Europe GmbH (the "**Seller**"), for a total of 130.8 MW. Simultaneously, the Corporation completed a private placement of $50.0 million with three Desjardins Group-affiliated entities. See "Description of the Business and Assets of the Corporation – Operating Wind Farms – Wind Farms located in France".

The purchase price for the Seven French Entities is a net cash consideration of €64.0 million (or $94.5 million), subject to certain adjustments and including $11.9 million of cash and cash equivalents. The purchase price for the Yonne Wind Farm acquired on February 21, 2017 amounts to €35.2 million (or $49.0 million), which includes the deposit of €10.0 M (or $13.9 million) paid on April 15, 2016. The project financing totalled €88.2 million (or $130.2 million) and will remain at the acquired project level. The non-recourse debt related to the eight projects will remain at the acquired project level. The Corporation has reduced its exposure to exchange rate fluctuations with long-term currency hedging instruments.

On June 10, 2016, the Corporation announced the closing of a $38.4 million investment by Desjardins in the limited partnership that owns the Seven French Entities and the interest in the Yonne Wind Farm. Following the investment, Innergex and Desjardins owns respectively 69.55% interest and 30.45% in Innergex Europe (2015) Limited Partnership.

On July 29, 2016, Big Silver Creek Limited Partnership ("**Big Silver Creek LP**") began commercial operation of the 40.6 MW run-of-river hydroelectric facility located in British Columbia (the "**Big Silver Creek Facility**"). See "Description of the Business and Assets of the Corporation – Operation Hydroelectric Facility – Hydroelectric Facilities located in British Columbia".

On December 22, 2016, the Corporation completed the acquisition of the Montjean and Theil Rabier wind farms with a total aggregated capacity of 24 MW located on private land in Nouvelle-Aquitaine, France from French group BayWa r.e. The Corporation owns a 69.55% interest in the Montjean and Theil Rabier wind farms and Desjardins owns the remaining 30.45%. See "Description of the Business and Assets of the Corporation – Operating Wind Farms – Wind Farms located in France".

On December 30, 2016, Mesgi'g Ugju's'n Wind Farm, L.P. ("**Mesgi'g Ugju's'n (MU) LP**") began commercial operation of the 150 MW Mesgi'g Ugju's'n wind farm located in the Gaspé Peninsula, in Québec. See "Description of the Business and Assets of the Corporation – Operating Wind Farms – Wind Farms located in Québec".

Financial Year 2015

On March 17, 2015, Boulder Creek Power Limited Partnership ("**Boulder Creek LP**") and Upper Lillooet River Power Limited Partnership ("**Upper Lillooet LP**") jointly closed a $491.6 million non-recourse construction and term project financing for the Boulder Creek and Upper Lillooet River projects located in British Columbia. See "Description of the Business and Assets of the Corporation – Hydroelectric Development Projects – Boulder Creek Project and the Upper Lillooet River Project".

On March 19, 2015, the Corporation announced that it received approval from the TSX to renew its normal course issuer bid (the "**2015 Bid**"). Under the 2015 Bid, the Corporation could purchase for cancellation up to 1,000,000 of its Common Shares, which was increased to 2,000,000 as at September 4, 2015 representing approximately 2% of its issued and outstanding Common Shares. The 2015 Bid commenced on March 24, 2015 and terminated on March 23, 2016. Under the 2015 Bid, the Corporation purchased for cancellation a total of 1,190,173 Common Shares.

On June 22, 2015, Big Silver Creek L.P. closed a $197.2 million non-recourse construction and term project financing for the Big Silver Creek Facility.

On July 4, 2015, the Upper Lillooet River Project construction site in British Columbia was impacted by a forest fire that swept through the region and was evacuated. Construction activities resumed as of mid-September. Damage to the site from the fire was very limited and all structures and equipment remained intact, except for a portion of the transmission line between the two on-site powerhouses. The Corporation expects that insurance proceeds will cover the damage and to suffer no significant adverse financial consequences from the forest fire. On December 23, 2015, the Corporation received a letter from British Columbia Hydro and Power Authority ("**BC Hydro**") accepting that the event constituted a Force Majeure under the PPA and extending the commercial operation date ("**COD**") by 98 days. As of the date hereof, the Corporation is still in negotiation with the insurance company regarding its claim for damages resulting from the forest fire.

On August 10, 2015, the Corporation completed on a bought deal basis an offering in the aggregate principal amount of $100.0 million of 4.25% convertible debentures (the "**4.25% Convertible Debentures**") at a price of $1,000 per debenture (the "**4.25% Convertible Debentures Offering**"). The 4.25% Convertible Debentures are unsecured and subordinated, have a maturity date of August 31, 2020, bear interest at a rate of 4.25% per annum, payable semi-annually, and are convertible at the option of the holder into common shares at a conversion price of $15.00 per common share (the "**Conversion Price**"), the whole as contemplated under the underwriting agreement (the "**4.25% Convertible Debentures Underwriting Agreement**") dated July 24, 2015 between the Corporation and National Bank Financial Inc., TD Securities Inc., BMO Nesbitt Burns Inc., Desjardins Securities Inc., CIBC World Markets Inc., Scotia Capital Inc. and Industrial Alliance Securities Inc., as underwriters. The 4.25% Convertible Debentures commenced trading on the TSX on August 10, 2015 under the symbol "INE.DB.A". See "Description of Capital Structure – 4.25% Convertible Debentures".

On August 20, 2015, the Corporation completed the redemption of all of its outstanding 5.75% Convertible Debentures, which would have matured on April 30, 2017 (the "**5.75% Convertible Debentures**"), in accordance with the terms of the trust indenture dated March 8, 2010 governing these debentures. As at the redemption date on August 20, 2015, there was $41,591,000 principal amount of 5.75% Convertible Debentures issued and outstanding. The 5.75% Convertible Debentures were delisted from trading on the TSX on August 20, 2015.

On September 28, 2015, Mesgi'g Ugju's'n (MU) LP closed a $311.7 million non-recourse construction and term project financing for the 150 MW located in the Gaspé Peninsula, in Québec. On October 17, 2017, the remaining portion of the construction loan was converted into a 19.5-year term loan. See "Description of the Business and Assets of the Corporation – Operating Wind Farms – Wind Farms located in Québec".

On October 13, 2015, the Corporation announced that it had signed a memorandum of understanding with the Comisión Federal de Electricidad ("**CFE**") in Mexico, a government enterprise that produces and distributes electricity to more than 38.5 million customers representing 120 million Mexicans, to jointly study a number of renewable energy project opportunities in Mexico, with the aim of jointly developing selected projects. The main purpose of the agreement is to coordinate efforts and develop activities that will allow the Corporation and CFE to define their joint participation in the development of prospective renewable energy projects, in particular hydroelectric plants of less than 200 MW. As of the dated of this Annual Information Form, no joint participation project was developed under this memorandum of understanding.

On October 25, 2015, Tretheway Creek Hydro Limited Partnership ("**Tretheway Creek LP**") began commercial operation of its 21.2 MW Tretheway Creek run-of-river hydroelectric facility located in British Columbia (the "**Tretheway Creek Facility**"). See "Description of the Business and Assets of the Corporation – Operating Hydroelectric Facilities – Hydroelectric Facilities located in British Columbia".

On December 15, 2015, the Corporation and the Cayoose Creek Band announced they entered into an agreement for the joint acquisition of the Walden Facility a 16 MW facility located on private land in Cayoosh Creek near Lillooet, British Columbia and formed a limited partnership to jointly acquire the assets of the Walden Facility from FortisBC for $9.2 million. The closing of the acquisition was completed on February 25, 2016.

INDUSTRY OVERVIEW AND MARKET TRENDS

Renewable Power Generation Industry

Renewable power producers are involved in the generation of electricity from renewable sources of energy, including (i) water; (ii) wind; (iii) sun; (iv) certain waste products, such as biomass (for example: waste wood from forest products operations) and landfill gas; and (v) geothermal sources, such as heat or steam. Demand for renewable power sources in North America, Iceland and France continues to grow and is largely driven by the long-term trend toward stronger policies for protecting the environment, as well as the growing demand for energy. While traditional regulated utilities continue to dominate the North American and French electricity generation markets, it is recognized that independent power producers play an increasingly important role in the supply of electricity.

There are several factors that explain the growing role played by independent power producers in supplying renewable power in North America, Iceland and France, including: the growing demand for energy in some territory; increasing awareness of the benefits of renewable energy in addressing the impacts of climate change; the availability of government-sponsored incentives to develop renewable energy capacity; the availability of long-term renewable energy purchase contracts with highly creditworthy counterparties, allowing independent power producers to develop new projects in a low-risk environment with the expectation of stable long-term contractual cash flows; the implementation of non-discriminatory access to transmission systems, providing independent power producers with access to regional electricity markets; and the rapidly improving cost-competitiveness of renewable energy and efficiency of independent power producers. While the plentiful supply of natural gas in recent years has resulted in low electricity market prices that have increased the attractiveness of this source of energy for producing electricity in many parts of the world, technological improvements and economies of scale have significantly reduced the costs of renewable energy procurement, in particular wind and solar power. In many markets, electricity produced from these sources is cost-competitive with energy produced from natural gas and the cost of renewable energy from wind and solar power is significantly more stable over the long run because it is not subject to fluctuations in the price of the underlying resource year after year.

Moreover, push for developing renewable energy worldwide and implementing a global energy transition toward clean and renewable energy came during the United Nations Framework Convention on Climate Change (UNFCCC) 21st conference of Parties held in Paris, France in 2015. The agreement that came out of the 2015 Paris Climate Conference (the "**Paris Agreement**") aims to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees. The Paris Agreement establishes a long-term vision in order to reduce global emissions and phase out carbon from the world's energy sources through deployment of transition to renewable energy within each national energy strategy.

Renewable Power in Canada

Over the past few years, the significant growth in renewable power generation in Canada has resulted from commitments to reducing greenhouse gas emissions in power generation; public concern over nuclear power generation, air quality and greenhouse gases; improvements in renewable energy technologies; and shorter construction lead times for some renewable energy projects. Renewable electricity generation in Canada is also supported by federal and provincial incentives such as long-term fixed price contracts, accelerated depreciation and renewable portfolio standards ("**RPS**"), which are explained below.

In response to its commitments under the Paris Agreement, the Government of Canada released the Pan-Canadian Framework on Clean Growth and Climate Change and Canada's Mid-Century Low Greenhouse Gas Strategy and the Paris Agreement on Climate Change. The federal government's commitments on climate include phasing out coalfired generation by 2030, introducing a national low-carbon fuel standard, and implementing a national price on carbon by the end of 2018.

While these favourable underlying fundamental factors should support the growth of renewable power generation over the long term, a number of factors may reduce the short-term demand for renewable power in Canada. These include electricity surpluses of some public utilities and the abundance of shale gas, which has resulted in much lower prices for natural gas, one of the fossil fuel sources of electricity production.

In response to the long-term trend toward stronger environmental protection policies, many provincial governments have introduced RPS, which typically set a target for an increased component of renewable energy in their electricity generation supply mix, in order to reduce greenhouse gas emissions over time.

Several provinces and the Government of Canada have set a specific target percentage of electricity to be generated from renewable sources, including:

- British Columbia – 100% of total electricity from clean or renewable resources;
- Alberta – 30% of the electricity in the Province be sourced from renewable sources by 2030;
- Saskatchewan – to generate 50% of its electricity from renewable energy by 2030;
- Québec – increasing total renewable energy production by 25% by 2030;
- Nova Scotia – 40% renewable energy by 2020;
- New Brunswick – a minimum of 40% of NB Power's in-province sales by 2020;
- Yukon – increase renewable energy by 20% from 2009 to 2020.

Canada enjoys a unique abundance of hydrological resources. With an estimated installed hydroelectric capacity of more than 75,000 MW, it is the third largest hydroelectric energy producer in the world.

Over the last few years, according to the National Energy Board, wind power has become commercially viable and has emerged as the fastest growing segment of the renewable power industry in Canada. The Canadian Wind Energy Association ranks Canada as the seventh largest producer of wind energy in the world, with an installed wind power capacity of more than 11,898 MW.

A solar energy industry has emerged in Canada in recent years, and future growth is focused on the opportunities in the Prairies.

Renewable Power in the United States

According to the US Energy Information Association, electricity generation from renewable energy is expected to rise from 13% in 2013 to 18% by 2040, with nearly 70 GW of new wind and solar photovoltaic capacity expected to be added from 2017–2021, encouraged by declining capital costs and the availability of tax credits. In many markets across the US, wind and solar energy are already among the least costly new generation sources, even compared with currently low-cost natural gas.

Electricity demand is expected to grow modestly, as a result of the retirement of older, less efficient fossil fuel units—largely spurred by the Clean Power Plan (CPP)—and the near-term availability of renewable energy production tax credits. Even if the CPP is not upheld, low natural gas prices and the tax credits are expected to result in natural gas and renewables as the primary sources of new generation capacity in the near term.

In the United States, the Corporation will continue to selectively assess potential opportunities in light of the existence of RPS in several states and the increasing procurement of renewable energy. Twenty-nine states, Washington, D.C., and three territories have adopted an RPS, while eight states and one territory have set renewable energy goals. Hawaii currently has the most ambitious target, of 100% renewable energy by 2045, and California is currently on track to meet

its target of 50% renewable by the end of 2030. In addition, a growing number of cities and corporations are looking to source their operations with renewable energy exclusively through PPAs, which will create new opportunities for industry growth.

Texas leads the US in energy production, primarily from crude oil and natural gas. It also generates the most electricity of any state, and is the largest producer of wind energy in the US. The state has been a leader in wind development since the early 1990's and has around 20 GW of wind capacity currently installed and more than 5,000 MW currently under construction. The state encouraged construction of wind by authorizing Competitive Renewable Energy Zones (CREZ), a $7-billion effort in which transmission lines were built to connect to future wind farms in areas of high wind potential.

In the United States, electricity producers sell their electricity under various types of contracts, including long-term PPAs, power hedges and commercial and retail contracts.

Renewable Power in France

Since 2007, France has put in place a strategy for developing renewable energies within its territory. The French onshore wind market is very active with the objective, announced in October 2016, of reaching 22,000 to 26,000 MW wind capacity in 2023 from about 12,000 MW in 2016. The feed-in-tariff contract structure has been changed to a contract for difference ("**CfD contract**") system under which wind farms of up to six turbines will sell their electricity directly to the market and will receive the difference between the target price and the market price under 20-year CfD contract. Larger wind farms will have the option to participate in auction processes to be granted a similar CfD contract.

Renewable Power in some Other Markets

In Latin America, demand for electricity remains strong and governments are seeking to increase the production of renewable energy, of which they have an ample supply. Countries in Europe have adopted ambitious GHG emissions reduction targets and governments are seeking to reduce their dependency on conventional forms of generation, both of which developments require a greater proportion of renewable energy in these countries' energy portfolios.

In Iceland a report on power demand for the 2017-2050 period published by a committee hosted by the Energy Authority forecasted growth in the demand of 165 MW until 2050 mostly created by heavy industry and Data Center's growth. There are a number of markets to which the Corporation believes it can largely transpose its business model for developing and operating renewable energy assets.

Regulatory Framework of and Market for Renewable Power in the Corporation's Key Markets

Québec
Hydro-Québec, a corporate agent of the Government of Québec, is one of the largest electricity utilities in North America. Under its incorporating statute, Hydro-Québec is given broad powers to generate, supply, and deliver electric power throughout Québec. Excluding the territories served by municipal or private electric power systems or by a local cooperative, Hydro-Québec is the holder of exclusive electric power distribution rights throughout the territory of Québec.

The Régie de l'énergie, an economic regulation agency, sets and modifies the rates and conditions for, inter alia, the transmission of electric power by the electricity carrier and the distribution of electric power by the electricity distributors in the Province of Québec. To that end, Hydro-Québec must present to the Régie de l'énergie a forecast of the needs of the Québec market for the next ten years as well as the nature of the contracts that Hydro-Québec intends to enter into in order to meet the demand over and above 165 TWh (being the heritage electricity pool which must be supplied by Hydro-Québec). To meet demand in excess of this 165 TWh, Hydro-Québec must enter into supply contracts after conducting Requests for Proposals with interested power suppliers or, in some exceptions further to specific governmental decree, negotiate and enter into a PPA without RFP. The Régie de l'énergie monitors all Requests for Proposals for the supply of energy in Québec.

In 2016, the government of Québec released its new Energy Policy and although it didn't mention specifics regarding small hydro or wind energy, its objectives are consistent with further development of those energies in the foreseeable future. The Corporation remains confident in the long-term viability of the small hydro and wind energy sectors in this province and has a number of prospective projects that it continues to maintain for future renewable energy procurement opportunities.

British Columbia
BC Hydro is one of the largest electric utilities in Canada, supplying the majority of power generating capacity in the province. The remaining capacity is provided by investor-owned utilities, large and small industrial self-generators, and independent power producers. BC Hydro has launched various Requests for Proposals over the last 10 years to acquire electricity supply from independent power producers.

The Standing Offer Program was launched by BC Hydro in 2008 following the introduction of the Clean Energy Act. The Program is intended to encourage the development of small clean energy projects of 15 MW and less throughout British Columbia through the provision of long-term fixed price PPAs. Following a review period, the Program is expected to be relaunched in 2018.

BC Hydro's Integrated Resource Plan is scheduled to be updated in 2018. The Integrated Resource Plan is a flexible long-term strategic plan to meet the growth of the province's demand in electricity over the next 20 years. Electricity demand is forecast to grow steadily in the province, which may provide development opportunities for the renewable energy sector. Meeting provincial climate change commitments would require a substantial growth in electricity supply through the electrification of buildings, transport and industry. An expansion of the Alberta-BC transmission intertie could also result in growth in electricity demand. However, the decline of the resource sector and the postponement of several LNG proposals could result in lower than expected demand.

In late 2017, the BC Government decided to continue construction of the Site-C hydroelectric dam project, after it was sent to the BC Utilities Commission for review. The project is scheduled to reach commercial operation in 2024 at a projected cost of $10.7 billion.

Ontario
The Ontario Energy Board regulates residential pricing for power generated from Ontario Power Generation's ("**OPG**") nuclear and large hydroelectric generation assets and sets annual revenue limits with respect to OPG's coal and smaller hydroelectric generation. The Independent Electricity System Operator, into which the Ontario Power Authority was merged in January 2015, addresses system planning and security of supply in Ontario by reviewing demand and resource reliability forecasts, facilitating supply source investment and diversification, and promoting conservation.

In Ontario, the government released an updated Long-Term Energy Plan in the fall of 2017. The Plan moves the province away from relying on long-term electricity contracts to enhancing its market-based approach. The Corporation has a number of wind and solar projects in Ontario that it maintains in order to be prepared for future potential procurements.

France
The Electricity Transmission System ("**RTE**"), a subsidiary of Électricité de France, is responsible for managing the public high-voltage electricity transmission network in France. RTE operates, maintains and develops very high-voltage power lines and the associate stations, which transport electricity from French production units to industrial customers and to the electricity distributor network.

Since 2007, France has put in place a strategy for developing renewable energies within its territory. The French onshore wind market is very active with the objective, announced in October 2016, of reaching 22,000 to 26,000 MW wind capacity in 2023 from about 12,000 MW in 2016. The feed-in-tariff contract structure has been changed to a CfD contract system under which wind farms of up to six turbines will sell their electricity directly to the market and will receive the difference between the target price and the market price under 20-year CfD contract. Larger wind farms will have the option to participate in auction processes to be granted a similar CfD contract. In 2016, the Corporation established its presence in France with the acquisition of nine wind farms. In 2017, it further acquired six wind projects and deployed a local development team to secure projects that could be submitted for CfD contracts and continues to assess a number of other renewable energy opportunities. Recently, the French government has reinstated its strong commitment towards renewable energy by adopting a number of measures to accelerate the development process of projects which contributes to making France a key market for the Corporation.

United-States
Further to the closing of the Alterra Acquisition, the Corporation owns additional interests in projects located in the USA, some of which are located in Texas. Texas, the main electricity grid is operated by the Electricity Reliability Council of Texas (ERCOT) and is largely isolated from the interconnected power systems serving the eastern and western US. The isolation means that the ERCOT grid is not subject to federal (FERC) oversight and is, for the most part, dependent on its own resources to meet electricity needs. Without using long term fixed price contracts, ERCOT has achieved large scale wind development.

Iceland
Iceland's electricity supply is generated from nearly 100% renewable resources. In 2015, hydroelectric and geothermal generation accounted for approximately 73% and 27% of total electricity production, respectively. Heavy industry consumption accounts for approximately 79% of total electricity use, with approximately 89% of that attributed to the aluminum manufacturing sector. Further power demand growth is expected to be driven by continued growth in the data centre industry and an emerging silicon manufacturing industry.

Iceland's development of renewable resources is guided by the Master Plan, a framework enabled by the *Master Plan Act* (2011), dedicated to screen proposed hydroelectric and geothermal projects to ensure a balance is met between economic benefits and environmental protection. In recent years, Iceland has scaled up its renewable power generation largely driven by the demand from the aluminum and silicon manufacturing sectors. Geothermal and hydroelectric sources provide nearly 100% of Iceland's power demand requirements.

Iceland adopted the European Directive on competition and unbundling of its energy market in 2003 which aimed at transforming the vertically integrated market structure into a fully liberalized market. Since then, only one company (HS Orka which is 54% owned by the Corporation) has been privatized, while the remaining power generation companies continue to be owned by the Icelandic State and municipalities.

Iceland's power offtake structure is dominated by long-term PPAs, which have a weighted average remaining life of 15 years. The wholesale power market is highly limited in Iceland as the majority of the power supply is secured through PPAs.

Method of Production

Hydroelectric Power Generating Process
Run-of-river hydroelectric generation facilities, unlike traditional hydroelectric facilities, do not require the flooding of large areas of land. Hydroelectric power is generated by harnessing the force created as water falls. The difference in elevation between the headpond and the tailrace is referred to as "head" or "operating head". The energy in the moving water is ultimately converted into electric energy. The water flows through an intake structure and penstock or a tunnel down to a turbine, which is essentially a water wheel. The water spins the turbine and the hydraulic energy is then converted into mechanical energy which is converted into electricity by the generator. The electricity is sent through a transformer where its characteristics are adjusted so that it can be sent along the transmission system.

Wind Power Generating Process
Electricity generated from wind is becoming an increasingly important source of energy globally, including in North America. Like hydroelectric generation, wind generation is not subject to fuel price volatility and it produces no greenhouse gas or other emissions. Wind turbines can only generate electricity when the wind blows at speeds within a certain operating range.

Energy is produced from the wind power exerted on the blades of a wind turbine which are attached to a central shaft to rotate a generator. Wind turbines are equipped with a control system which optimizes electrical production and adjusts to varying wind speed and direction.

Solar Photovoltaic Power Generating Process
Solar photovoltaic power generating facilities consist of an array of solar panels. These solar panels are made up of smaller solar cells (encased in glass to protect them from the elements), which convert electromagnetic radiation from the sun into electricity by means of semiconductors. The semiconductors use photons of light to knock electrons into a higher state of energy to create electricity (known as the photovoltaic effect).

The electricity produced by solar photovoltaic generating facilities is in the form of direct current (unilateral flow of electricity). An inverter is required to convert the direct current electricity to alternating current, which is the type of current upon which most electricity distribution and transmission grids are based.

Geothermal Power Generating Process
Geothermal power facilities exploit hydrothermal resources composed of both water (hydro) and heat (thermal). Geothermal power facilities require high-temperature (ranging from 300°F to 700°F) hydrothermal resources that come from either dry steam wells or from hot water wells. Geothermal power facilities harvest these resources by drilling wells and then piping steam or hot water to the surface. The hot water or steam powers turbines that generates electricity.

There are three main types of geothermal power facilities: (1) dry steam plants use steam from a geothermal reservoir to turn generator turbines; (2) flash steam plants capture high-pressure underground hot water and convert it to steam to turn generator turbines. When the steam cools, it condenses to water and is released back into the ground for future use; and (3) binary cycle power plants transfer heat from geothermal hot water to another liquid. The heat causes the second liquid to turn to steam, which turns a generator turbine.

Factors Affecting Renewable Electricity Production Performance

Renewable energy projects, such as run-of-river hydroelectric facilities, wind farms, geothermal power facilities and solar photovoltaic farms depend on “fuel” sources which are, by their very nature, variable. Therefore, the level of production on a day-to-day basis is also variable. However, long-term historical records for hydroelectric energy and site-specific measurements for hydro and wind energy allow for a monthly or annual average or “mean” hydrology or wind speed, which in turn allow for electricity production to be estimated using statistical analysis.

Turbine capacity, measured in megawatts, is an indication of the electricity production capability of a turbine. Turbine capacity multiplied by the number of hours in one year (8,760 hours) gives the maximum theoretical annual production of a turbine measured in MWh.

As operation of the turbine is dependent on water flow or wind speed, a turbine does not operate every hour of the year. Production from solar farms is dependant of the sunlight. The usage factor is a measure of the productivity of an electricity-generating source. There are a number of factors that preclude a wind or hydro powered electricity-generating turbine or solar panels from operating at their theoretical maximum. The primary factors are water flow, wind speed and irradiance. Therefore, a turbine or solar panels will operate for significant periods of time at power outputs less than the rated capacity.

In general, hydro projects have usage factors ranging from 40% to 70%, wind energy projects have usage factors ranging from 25% to 40% depending on various site-specific factors, and solar photovoltaic projects have usage factors from around 10% for fixed thin film technology applications to more than 20% for monocrystalline modules installed with a double axis tracking system.

Competitive Conditions

The Corporation evolves in different competitive environments, whether its renewable energy facilities are in operation or under development. For the year ended December 31, 2017, 100% of the Corporation’s hydroelectric, wind power and solar power generation activities in British Columbia, Québec, Ontario, in France and in the United States sold the generated power under long-term PPAs with a remaining weighted-average life of 19.5 years as of December 31, 2017, which include a base price and, in some cases, a price adjustment clause; except for facilities with power purchase agreements that are up for renewal and the Miller Creek facility PPA (which is based on a formula using the Platts Mid-C) and the Shannon (and once completed, Flat Top) PPAs. Therefore, the Corporation had limited exposure to electricity price fluctuations and electricity demand for power where it operates. Where the Corporation is not party to long-term PPA for a project, the Corporation may enter into financial or physical power hedges to address market price risk exposure. A power hedge is a contract for differences between an electricity producer and a hedge provider (often a financial institution) and as a result, are subject to certain unique risks when compared to traditional PPAs (see “Risk Factors”). Under a power hedge, if the market price of electricity falls below a certain set (hedge) price at the time of a sale, the hedge provider pays the producer the difference; if the market price is above the hedge price, then the producer pays the difference to the hedge provider.

The Corporation intends to pursue growth opportunities in the renewable energy sector. As such, in addition to its traditional Canadian markets, it has identified several target markets in other provinces of Canada, in the United States, in France, in Iceland and in Latin America. In these geographical areas, the Corporation faces competition from large utilities, coal, nuclear, and natural gas electricity producers, other independent power producers and institutions such as investment management funds. Market prices for natural gas and other commodities are important drivers of electricity prices which influence electricity prices from renewable energy. In Canada, the Corporation depends on the sale of its power to provincially owned utilities with long-term PPAs that are generally obtained through a competitive procurement process. It may also face competition while seeking to make acquisitions, as the assets up to sale can attract competing bids from other potential acquirers. The Corporation manages the risks posed by such competitive conditions through its ongoing strategic planning process, through geographical diversification of its portfolio of projects, as well as by focusing on low-impact renewable projects, long-term power purchase agreements with a fixed price, its proven track record and its experienced management team.

The growing awareness and concerns over issues such as climate change, access to clean energy, energy security, energy efficiency and environmental impacts of conventional fossil fuel are leading governments around the world to increase their demand for and commitments to the development of renewable energy supply. Moreover, renewable energy production competitiveness has increased drastically in the last decade mainly due to technological advances and falling costs of the main components. Consequently, the Corporation believes that the outlook for the renewable energy industry is promising.

Economic Dependence

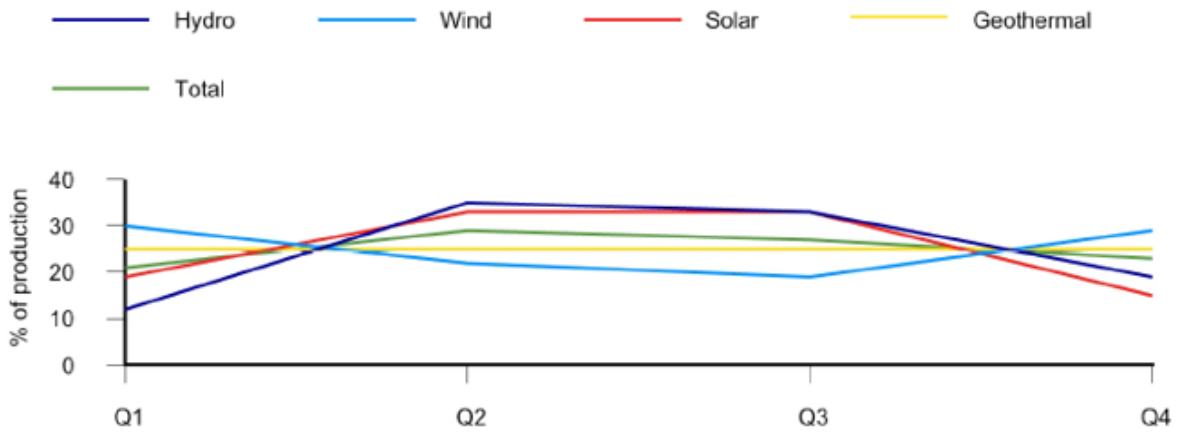
The Corporation does not believe it is substantially dependant on any single contractual agreement. However, the Corporation has identified three major customers. The sales of the Corporation to these three major customers under its various PPAs, represented more than 10% of its 2017 revenues of $400.3 million ($292.8 million in 2016):

Major Customer	Credit Rating From Standard & Poor's	Segment	Revenues for the years ended Dec. 31, 2017 $M	Dec. 31, 2016 $M
BC Hydro	AAA	Hydroelectric generation	155.8	139.0
Hydro-Québec	A+	Hydroelectric and wind power generation	154.4	102.9
Electricité de France	A-	Wind power generation	50.0	8.6

Seasonality and Cyclicality

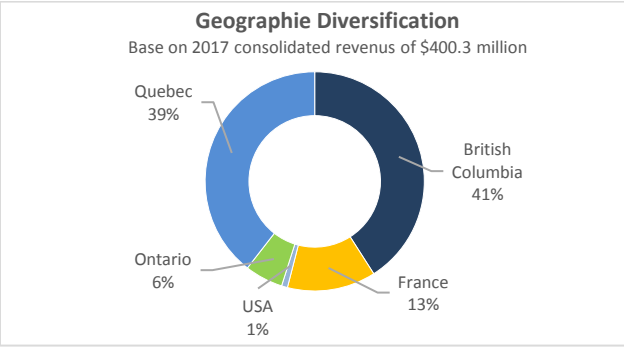
The renewable power industry is inherently seasonal due to the industry's dependence on weather for the availability of water, wind and sunlight resources for electrical generation.

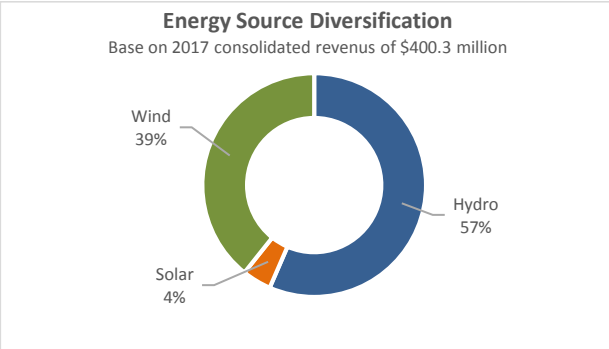
Seasonality of production by energy source



The consolidated long-term average production is the annualized LTA for the facilities in operation at February 21, 2018. The LTA is presented in accordance with revenue recognition accounting rules under IFRS and excludes production from facilities that are accounted for using the equity method.

The Corporation has limited its exposure to the seasonality of the industry by virtue of the fact that its facilities and projects are geographically diversified (spanning the provinces of Québec, British Columbia and Ontario in Canada, France and the United States, as presented below as at December 31, 2017). These facilities and projects also offer a mix of energy sources, providing further diversification and thereby reducing the Corporation's dependence on any one resource and any one region.





With the closing of the Alterra Acquisition on February 6, 2018, the Corporation increased both its geographical and energy source diversification with the addition of two solar farms in the US, two wind farms, one in the US and the other in BC and two geothermal power facilities in Iceland. The renewable power industry is also inherently cyclical due to the high degree of correlation between demand for electricity and general economic conditions. The Corporation has reduced its exposure to the cyclicality of the industry since the remaining weighted-average life of PPAs for the Corporation's operating facilities was 17.5 years as of February 21, 2018 (based on gross long-term average production), thereby reducing the Corporation's exposure to variations in the demand for and the price of electricity.

DESCRIPTION OF THE BUSINESS AND ASSETS OF THE CORPORATION

General Overview - Segment Information

As of December 31, 2017, the Corporation had four operating segments: hydroelectric generation, wind power generation, solar power generation and site development. Through those four reportable segments, the Corporation sells electricity produced by its hydroelectric facilities, wind farms and solar farm in operation to publicly-owned utilities. The production and revenues recorded by the site development segment was due to eight turbines being in operation at the Rougemont-2 Wind Farm for the months of October and November 2017. This wind farm reached full commissioning on December 1, 2017, and production was then allocated in the wind power generation segment. Through its site development segment, the Corporation analyses potential sites and develops hydroelectric facilities, wind and solar farms up to commissioning stage.

Operation revenues of Corporation by reportable segments				
	2017 Operation Revenues		2016 Operation Revenues	
Operating Segments	$M	% of total revenues	$M	% of total revenues
Hydroelectric generation	226,211	56.5%	211,881	72%
Wind power generation	155,307	38.8%	63,238	22%
Solar power generation	16,824	4.2%	17,666	6%
Site development	1,921	0.5%	-	-

Portfolio of Assets

As of February 21, 2018, the Corporation's portfolio is comprised of interests in four groups of power generating projects: (i) 63 facilities that are in commercial operation (the "**Operating Facilities**"); (ii) 2 projects in late stage development which are under construction (the "**Development Projects**"); and (iii) numerous projects that are in various stages of development, some of which are targeted toward specific current and future Requests for Proposals or standard offer programs or are targeted toward negotiated PPAs with public utilities, retail, financial or commercial entities or other various arrangements (the "**Prospective Projects**").

The Corporation intends to continue to own and operate its Development Projects and Prospective Projects as they become operational and to foster partnerships with communities or financial or strategic partners.

The Corporation often teams up with a partner when investigating prospective projects, potential acquisitions or preparing projects in response to a Request for Proposals. When this is the case, the Corporation and the strategic partner will typically share in the ownership of such projects.

Operating Facilities

As of February 21, 2018, our Operating Facilities are located in six regional markets: the provinces of British Columbia, Ontario, and Québec, in France, in Iceland and in the USA. The interests in 19 of our operating facilities are solely owned by the Corporation. All the other facilities are held through various ventures with strategic partners or investors. The table beside shows the Corporation's operating facilities gross and net capacity as at February 21, 2018. Net capacity represents the proportional share of the total capacity attributable to the Corporation, based on its ownership interest in these facilities. The remaining capacity is attributable to the partners' ownership share.

A large majority of the operating facilities of the Corporation are operating under long-term fixed-price PPAs.

OPERATING FACILITIES AS AT FEBRUARY 21, 2018	
Hydro	
Gross Capacity	1,028.5 MW
Net Capacity	684.3 MW
Wind	
Gross Capacity	1,429.4 MW
Net Capacity	670.7 MW
Geothermal	
Gross Capacity	174.0 MW
Net Capacity	93.8 MW
Solar	
Gross Capacity	53.7 MW
Net Capacity	53.0 MW
Total:	
Gross Capacity	2,685.6 MW
Net Capacity	1,501.8 MW

Operating Hydroelectric Facilities

As of February 21, 2018, the Corporation owns interests in 34 operating hydroelectric facilities which have an aggregate net installed capacity of 684.3 MW (gross 1,028.5 MW) out of which nine are in the Province of Québec, three in Ontario, 21 in British Columbia and one in Idaho, United States. A majority are fully automated and may be operated locally or remotely.

Hydroelectric Facilities Located in Québec
The nine run-of-river hydroelectric power generating facilities of the Corporation located in the Province of Québec have an aggregate capacity of 136.6 MW and are further described in the following table.

HYDROELECTRIC FACILITIES LOCATED IN QUÉBEC						
Name of the facilities	Gross Capacity (MW)	Equity Interest	Estimated LTA[1] Production (MWh)	COD	PPA term (years)	PPA Expiry
Saint-Paulin	8.0	100%	41,082	1994	20	2034
Windsor	5.5	100%	31,000	1996	20	2036
Chaudière	24.0	100%	116,651	1999	20	2019
Montmagny	2.1	100%	8,000	1996	25	2021
Portneuf - 1	8.0	100%	40,822	1996	25	2021
Portneuf - 2	9.9	100%	68,496	1996	25	2021
Portneuf - 3	8.0	100%	42,379	1996	25	2021
Magpie	40.6	99.996%	185,000	2007	25	2032
SM-1	8.5 22.0	50.01%	166,500	1993 2002	25 25	2018 2027
Total:	**136.6**		**699,930**			

(1) LTA: Long Term Average

Ownership transfer of facility upon termination of leases or end of PPA regarding certain facilities described above

- The Saint-Paulin Facility site is subject to a superficies lease ending in 2034 and upon termination of the lease Facility and other improvements erected on the site will become the ownership of the beneficial owner of the Site.
- The Windsor Facility site and the hydraulic forces are subject to an emphyteutic lease ending in 2036 and upon termination of the emphyteutic lease the Facility and other improvements erected on the site will become the ownership of the owner of the land.
- The Portneuf Facilities are subject to an emphyteutic lease expiring in December 2025 and which may be renewed for an additional 25-year period and upon expiry or other termination of the emphyteutic lease, the Portneuf Facilities and other improvements erected on the premises will become the ownership of the landlord.
- Upon termination of the lease in 2032, the Magpie Facility and other improvements located on the site will become the property of the Minister of Natural Resources and Wildlife and the Minister of Sustainable Development, Environment and Parks, unless such ministers waive such right.

Hydroelectric Facilities Located in Ontario

The Corporation holds interests in three run-of-river hydroelectric power generating facilities located in Ontario with a total aggregate capacity of 36 MW and are further described in the following table.

Hydroelectric facilities located in Ontario						
Name of the facilities	Gross Capacity (MW)	Equity Interest	Estimated LTA Production (MWh)[1][2]	COD	PPA term (years)	PPA Expiry
Glen Miller	8.0	100%	41,606	2005	20	2025
Umbata Falls	23.0	49%	53,461	2008	20	2028
Batawa	5.0	100%	32,938	1999	30	2029
Total	**36.0**		**128,005**			

(1) The production shown represents 49% of the Umbata Falls Facility.
(2) LTA: Long Term Average

Ownership transfer of facility upon termination of leases or end of PPA regarding certain facilities described above

- Upon expiration of the lease agreement, the Glen Miller Facility will be transferred to the landlord for no further consideration.
- 25 years following COD, Umbata Falls LP will be dissolved and its property and assets will be transferred to the Ojibways of the Pic River First Nation.

Hydroelectric Facilities Located in British Columbia

The Corporation owns interests in twenty-one hydroelectric run-of-river generating power facilities in British Columbia with a combined installed capacity of 846.4 MW and are further described in the following table.

Hydroelectric facilities located in British Columbia						
Name of the facilities	Gross Capacity (MW)	Equity Interests	Estimated LTA Production (MWh)[1]	COD	PPA term (years)	PPA Expiry
Brown Lake	7.2	100%	51,800	1996	20	2016[2]
Miller Creek	33.0	100%	102,795	2003	20	2023
Rutherford Creek	49.9	100%	180,000	2004	20	2024
Ashlu Creek	49.9	100%	265,000	2009	40	2039
East Toba	147	40%[3]	468,222	2010	35	2045
Montrose Creek	88	40%[3]	245,871	2010	35	2045
Douglas Creek	27.0	50.0024%	92,610	2009	40	2049
Fire Creek	23.0	50.0024%	94,175	2009	40	2049
Lamont Creek	27.0	50.0024%	105,173	2009	40	2049
Stokke Creek	22.0	50.0024%	87,990	2009	40	2049
Tipella Creek	18.0	50.0024%	69,942	2009	40	2049
Upper Stave River	33.0	50.0024%	144,406	2009	40	2049
Fitzsimmons Creek	7.5	66.67%	33,000	2010	40	2050
Kwoiek Creek	49.9	50%	223,400	2014	40	2054
Northwest Stave River	17.5	100%	63,300	2013	40	2053
Tretheway Creek	21.2	100%	81,000	2015	40	2055
Big Silver Creek	40.6	100%	139,800	2016	40	2056
Jimmie Creek	62	51%	166,512	2016	40	2056
Upper Lillooet River	81.4	66.67%	334,000	2017	40	2057
Boulder Creek	25.3	66.67%	92,500	2017	40	2057
Walden	16.0	51%	35,000	1993	ND[4]	ND[4]
Total:	**846.4**		**3,076,497**			

(1) LTA: Long Term Average.
(2) Renewal is under negotiations. Sales continue under consecutive short-term extension agreements with BC Hydro.
(3) The Corporation owns 40% economic share of the ownership interest (51% equity, with the Corporation's economic share adjusting to 51% in 2045).
(4) ND means not disclosed.

Ownership transfer of facility upon termination of leases or end of PPA regarding certain facilities described above

- The assets of the Ashlu Creek Facility will be transferred to the Squamish First Nation for a nominal price after 40 years from COD.
- Ownership of the Douglas Creek Facility will be transferred, on the 60th anniversary of COD to the Douglas First Nation band ("**DFN**") for no further consideration.
- Ownership of the Tipella Creek Facility will be transferred, on the 60th anniversary of COD to the DFN for no further consideration.
- Forty years after COD of the Kwoiek Creek Facility, the Corporation's ownership interests will be transferred to Kwoiek Creek Resources Inc. Subsequently, the Corporation will receive a royalty based on a percentage of the gross revenues less operation costs.

- Upon expiry of the Tretheway Creek Facility PPA, the Corporation will transfer a 50% interest in the Facility to the Chehalis Indian Band.
- In 2056, the Corporation will sell to the Cayoose Creek Development Corporation for a consideration of 1$ 50% of the common units it holds in the Cayoose Creek Power Limited Partnership and its interests in the general partner, Cayoose Creek Power Inc.
- After 35 years of operations of the East Toba and Montrose Creek Project, the Corporation's economic interest will increase from 40% to 51% for no additional consideration and Axium Toba Montrose Holding Inc. will decrease from 60% to 49%.
- In the East Toba, the Montrose Creek and the Jimmie Creek projects, pursuant to an Impacts and Benefits Agreement, First Nation Groups may exercise options to acquire a nominal interest in the partnership owner of the projects at any time between the 36th and 50th year after COD.

Additional specific information regarding the Harrison Operating Facilities

The Corporation indirectly owns a 50.0024% interest in the Douglas Creek, Fire Creek, Lamont Creek, Stokke Creek, Tipella Creek and Upper Stave River operating hydroelectric facilities having a combine gross installed capacity of 150 MW (the "**Harrison Operating Facilities**") through ownership of 50.0024% of limited partnership units of Harrison Hydro Limited Partnership ("**HHLP**"), and of 50% of the shares of Cloudworks Holdings Inc. ("**CHI**"), the sole shareholder of Harrison Hydro Inc. the general partner of HHLP.

Hydroelectric Facility located in Idaho, United States

The Corporation holds interests in one run-of-river hydroelectric facility located in Idaho with a capacity of 9.5 MW and is further described in the following table.

Hydroelectric facility located in Idaho, United States						
Name of the facility	**Gross Capacity (MW)**	**Equity Interests**	**Estimated LTA(1) Production (MWh)**	**COD**	**PPA term (years)**	**PPA Expiry**
Horseshoe Bend	9.5	100%	46,800	1995	35	2030

(1) LTA: Long Term Average.

Operating Wind Farms

As of February 21, 2018, the Corporation owns interests in 24 operating wind farms which have an aggregate net installed capacity of 670.7 MW (gross 1,429.4 MW) out of which seven are located in the Provinces of Québec, one in British Columbia, ten in France and one in the United States.

Wind Farms Located in Québec
The Corporation owns interests in seven wind farms in the Province of Québec, with an aggregate net installed capacity of 311.3 MW and are further described in the following table.

Wind Farms located in Québec						
Name of the wind farms	Gross Capacity (MW)	Equity Interests	Estimated LTA Production (MWh)[1][2]	COD	PPA term (years)	PPA Expiry
Baie-des-Sables	109.5	38%	113,360	2006	20	2026
L'Anse-à-Valleau	100.5	38%	113,240	2007	20	2027
Carleton	109.5	38%	129,398	2008	20	2028
Montagne Sèche	58.5	38%	73,492	2011	20	2031
Gros-Morne	211.5	38%	247,000	2011 2012[3]	21	2032
Viger-Denonville	24.6	50%	36,200	2013	20	2033
Mesgi'g Ugju's'n	150.0	50%	562,500	2016	20	2036
Total :	**764.1**		**1,275,190**			

(1) In accordance with revenue recognition accounting rules under IFRS, except for Viger-Denonville Wind Farm where it represents 50% of long-term average.
(2) LTA: Long Term Average.
(3) Construction of the Gros-Morne Wind Farm was performed in two phases: phase I for 100.5 MW was brought to COD in 2011 and phase II 111 MW in 2012.

Wind Farm Located in British Columbia
The Corporation owns interests in one wind farm in the Province of British Columbia, with a net installed capacity of 37 MW and is further described in the following table.

Wind Farm located in British Columbia						
Name of the wind farm	Gross Capacity (MW)	Equity Interests	Estimated LTA[1] Production (MWh)	COD	PPA term (years)	PPA Expiry
Dokie 1	144	25.5%	302,984	2011	25	2036

(1) LTA: Long Term Average.

Wind Farms Located in France

As of February 21, 2018, the Corporation owns interests in 15 wind farms located in France, with an aggregate net installed capacity of 220.7 MW and are further described in the following table.

Wind Farms located in France						
Name of the wind farms	Gross Capacity (MW)	Equity Interests	Estimated LTA[1] Production (MWh)	COD	PPA term (years)	PPA Expiry
Longueval	10.0	69.55%	18,350	2009	15	2024
Porcien	10.0	69.55%	19,050	2009	15	2024
Antoigne	8.0	69.55%	16,000	2010	15	2025
Vallottes	12.0	69.55%	25,100	2010	15	2025
Bois d'Anchat	10.0	69.55%	22,000	2014	15	2029
Cholletz	11.8	69.55%	21,800	2015	15	2030
Beaumont	25.0	69.55%	47,100	2015	15	2030
Montjean	12.0	69.55%	36,400	2016	15	2031
Theil-Rabier	12.0	69.55%	37,600	2016	15	2031
Yonne	44.0	69.55%	100,400	2017	15	2032
Rougemont-1	36.1	69.55%	84,720	2017	15	2032
Rougemont-2	44.5	69.55%	100,340	2017	15	2032
Vaite	38.9	69.55%	93,140	2017	15	2032
Les Renardières	21.0	69.55%	52,427	2017	15	2032
Plan Fleury	22.0	69.55%	65,266	2017	15	2032
Total :	317.3		739,693			

(1) LTA: Long Term Average.

Wind Farm Located in the United States

As of February 21, 2018, the Corporation owns interests in one wind farm located in the United States, with a net installed capacity of 102 MW and is further described in the following table.

Wind Farm located in the United States						
Name of the wind farm	Gross Capacity (MW)	Equity Interests[1]	Estimated LTA[2] Production (MWh)	COD	PPA term (years)	PPA Expiry
Shannon	204	50%	713,806	2016	13	2029

(1) Here and elsewhere, Shannon equity interests reflect the Corporations portion of sponsor equity ownership. At Shannon, the Corporation operates and holds a 50% sponsor equity ownership interest, with the remaining 50% sponsor equity interest and tax equity interest held by third parties.
(2) LTA: Long Term Average.

Operating Solar Farm

As of February 21, 2018, the Corporation owns interests in three solar farms which have an aggregate net installed capacity of 53.7 MW and are further described in the following table.

Solar Farm Located in Ontario
The Corporation holds interests in one solar farm located in Ontario with a total capacity of 33.2 MW and is further described in the following table.

Solar Farm located in Ontario						
Name of the solar farm	Gross Capacity (MW)	Equity Interests	Estimated LTA[1] Production (MWh)	COD	PPA term (years)	PPA Expiry
Stardale	33.2	100%	37,627	2012	20	2032

(1) LTA: Long Term Average.

Solar Farm Located in the United States
The Corporation holds interests in two solar farms located in the United States with a total aggregate net capacity of 19.8 MW and are further described in the following table.

Solar Farm located in the United States						
Name of the solar farm	Gross Capacity (MW)	Equity Interests[1]	Estimated LTA[2] Production (MWh)	COD	PPA term (years)	PPA Expiry[1]
Kokomo	7	90%	9,797	2016	20	2036
Spartan	13.5	100%	14,893	2017	25	2042
Total :	**20.5**		**24,960**			

(1) Here and elsewhere, Kokomo and Spartan equity interests reflect the Corporation's portion of sponsor equity ownership. At Spartan, the Corporation operates and holds a 100% sponsor equity ownership, with the tax equity interest held by a third party. At Kokomo, the Corporation operated and holds a 90% sponsor equity ownership interest, with the remaining sponsor equity and tax equity interest held by third parties.
(2) LTA: Long Term Average.

Operating Geothermal Power Facilities

Geothermal Power Facilities Located in Iceland
As of February 21, 2018, the Corporation owns interests in 2 operating geothermal power facilities which have an aggregate net installed capacity of 93.8 MW and are further described in the following table.

Geothermal power facilities located in Iceland						
Name of the geothermal power facility	Gross Capacity (MW)	Equity Interests	Estimated LTA[1] Production (MWh)	COD	PPA term (years)	PPA Expiry
Reyjanes (1&2)	100	53.9%	709,560	2006	-	2026
Svartsengi	74	53.9%	569,400	1978	-	2019
Total :	**174**		**1,278,960**			

(1) LTA: Long Term Average.

Development Projects

As of the date of this Annual Information Form, the Corporation has interests in two Development Projects in construction representing an aggregate potential net installed capacity of 107.4 MW (gross 210 MW). All the Development Projects are set forth in the following table and further described below:

Country	Projects	Gross installed Capacity (MW)	Equity Interest[1]	Estimated Gross LTA (MWh)[2][3]	Expected COD Date	PPA Expiry
Hydroelectric Project						
Iceland	Brúarvirkjun	10	53.9%	80,000	2020	Various[4]
Wind Project						
United States	Flat Top	200	51%	872,900	2018	2031[5]
Total		**210**		**952,900**		

(1) Here and elsewhere, Flat Top equity interests reflect the Corporation's portion of sponsor equity ownership. At Flat Top, the Corporation operates and holds a 51% sponsor equity ownership, with the remaining 49% sponsor equity interest and following completion of construction, tax equity interest held by third parties.
(2) This information is intended to inform the reader of the project's potential impact on the Corporation's results. The actual results may vary. See "Forward-Looking Information".
(3) LTA: Long Term Average.
(4) Mix of short and long-term commercial and retail contracts.
(5) Reflects the tenor of a power hedge agreement.

Hydroelectric Development Project

Brúarvirkjun Project (Iceland – 53.9% ownership)

Description
The Brúarvirkjun Project is a proposed run-of-river hydroelectric power generating facility with an expected installed capacity of 10 MW located in the Túngufljot River in Iceland. This project was acquired as part of the Alterra Acquisition which closed on February 6, 2018. Early-works construction began in August 2017 and COD for the project is expected in early 2020. HS Orka hf ("**HS Orka**"), which is owned 53.9% by the Corporation, holds a 100% interest in the Brúarvirkjun Project.

Site and Water Rights
In 2016, the Brúarvirkjun Project completed the Environmental Impact Assessment. The necessary water rights, land contracts and exploration permits are also in place. The Brúarvirkjun Project also performed project planning and preliminary design on the intake, penstock and powerhouse in preparation for construction.

Power Purchase Agreement
The Brúarvirkjun Project will sell the energy it produces to various parties through HS Orka agreements and on the open market.

Wind Development Project

Flat Top Project (United States - 51% sponsor equity ownership)

Description
The Flat Top Project is a 200 MW wind project located in Comanche and Mills counties, Texas. It will consist of 100 V110-2.0 MW wind turbines part of the Vestas 2 MW turbine platform and is expected to be in service during the first half of 2018. This project was acquired as part of the Alterra Acquisition which closed on February 6, 2018.

Site Rights
In 2016, the project advanced customary development activities, including certain on-site and off-site construction activities intended to ensure the project will qualify for the full U.S. production tax credit. The Project has secured all real property rights, material permits and has completed environmental and archeological surveys at site. Construction is well underway with all material components on site, road work, maintenance building and transmission line completed, and turbine commissioning in progress.

Power Purchase Agreement
The Flat Top project is contracted to sell the majority of its power under a 13-year power hedge agreement with an affiliate of Citi.

Prospective Projects

With a combined potential net installed capacity of 8,530 MW (gross 9,200 MW), all the Prospective Projects are in various stages of development. Some Prospective Projects are targeted toward specific current or future Requests for Proposals such as the current request for expression of interests from Aboriginal business for a total of up to 200 MW of renewable generation projects in the province of Saskatchewan. Other Prospective Projects are maintained or continue to be advance and will be available for future requests for proposals yet to be announced or are targeted toward negotiated power purchase agreements with public utilities or other creditworthy counterparties in Canada or in other countries such as France, the United States and Iceland. There is no certainty that any Prospective Project will be realized.

Although the Prospective Projects are mainly 100% owned by the Corporation, it is probable that the Corporation's interests in one or more of these Prospective Projects could ultimately be shared with a strategic partner.

Intangible Assets

The intangible assets of the Corporation consist mainly of various PPAs, permits and licences. The Corporation reported $654.1 million in intangible assets as at December 31, 2017. The Corporation's intangible assets are related to the following segments:

Segments	Hydroelectric Generation $M	Wind Farm Power Generation $M	Solar Power Generation $M	Site Development $M	Total $M
Net Value as at December 31, 2017	410.5	236.8	6.8	-	654.1

Financial and Operational Effects of Environmental Protection Requirements

The majority of costs associated with environmental protection requirements are incurred by the Corporation at the development and construction phases of a renewable energy project. Therefore, these costs are capitalized to the project, when a PPA is secured for the project or if the project is eligible under a SOP and sufficiently advanced to have a high degree of confidence that it will be realized and amortized once the project is operational, or they are charged to earnings if the project does not go ahead. These costs will vary from project to project; however, in order for management to proceed with any project, it must support a pre-determined return on the capital costs invested, including capitalized environmental protection costs. The Corporation does incur ongoing costs associated with environmental protection requirements on operational plants, which are charged to operating costs as incurred.

Employees

As of December 31, 2017, the Corporation has 162 employees (excluding the 48 Cartier Wind Energy employees). This workforce includes 68 employees in operations and maintenance, 33 employees in development and construction and 61 employees in administration, accounting, finance and legal. The operations of the Corporation's reportable segments are conducted by different teams, as each segment has different skill requirements. With the closing of the Alterra Acquisition on February 6, 2018, the Corporation employed at total of 327 people (excluding the 48 Cartier Wind Energy employees). The Corporation's employees have the specialized knowledge and skills to carry out its business and the Corporation has a proven ability to complement this internal capacity with an efficient use of external consultants, when required.

Social and Environmental Protection Policies

Innergex is a leading Canadian independent renewable power producer committed to produce renewable energy exclusively. We develop, own, and operate run-of-river hydroelectric facilities, wind farms, solar photovoltaic farms and geothermal power facilities, with operations in Canada in the provinces of Quebec, Ontario and British Columbia, in France, in the United States and now in Iceland. Our management team has been involved in the renewable power industry since 1990. Our success has been founded on developing good projects that are accepted by the local community, respectful of the environment and economically viable.

Our Mission - Our mission is to increase our production of renewable energy by developing, operating and owning high quality facilities while respecting the environment and balancing the best interests of the host communities, our partners, and our investors.

Our growth is solidly rooted in a long-term vision and strong adherence to our mission and our values. Going forward, our time-tested approach will continue to guide us in achieving our vision of providing sustainable energy for a greener future.

Code of Conduct and Health, Safety & Environmental Mission Statement - The Corporation has adopted and implemented a Code of Conduct and a Health & Safety and Environmental Mission Statement. This Code and Mission Statement have been communicated to employees through various training sessions and communications. All directors, officers and employees of the Corporation have to sign and acknowledge the Code of Conduct.

The purpose of the Code of Conduct is to provide guidelines to ensure that Innergex's reputation for integrity and good corporate citizenship is maintained through the adherence to high ethical standards, backed by open and honest relations among employees, shareholders, directors, suppliers, host communities, partners and other stakeholders.

The Code of Conduct provides that all employees shall ensure that the activities of the Corporation are integrated harmoniously into the community with regard to natural heritage and, in particular observe applicable environmental laws and regulations at all times, support the economic, social and cultural development of the communities in which the Corporation carries on its activities, cooperate, to the extent possible, with programs established for the betterment of the community, mitigate the environmental impact of the Corporation's activities, to the extent reasonably possible and implement remedial measures, when necessary. It also aims to prevent harassment and bullying at the work place, to foster a work environment without discrimination, health and safety. It addresses situations such as conflict of interest anti-corruption measures and maintaining information security among other things.

Environment and Health & Safety Teams - The Corporation has an environmental team consisting of employees with specialized skills and knowledge and have implemented procedures that involve long-term environmental monitoring programs, reporting and the development and implementation of emergency action plans as related to environmental matters. The Corporation has a Health and Safety working teams with specialized knowledge and skills responsible for developing safety policies and program, developing and delivering environmental and safety training, conducting internal audits of safety performance, monitoring and reporting safety risks, events or issues and implementation of an emergency action plan. The Board of Directors monitors compliance with the Corporation Code of Conduct and the Health & Safety and Environment corporate policies through regular reporting from Management.

Sustainable Development Policy - On March 18, 2015, Innergex adopted a Sustainable Development Policy which articulates Innergex's commitment to integrating sustainable development considerations in all aspects of its business, including its strategic planning, decision-making, management and operations.

RISK FACTORS

The following are certain risk factors relating to the Corporation. It only represents a summary of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Information Form.

Ability of the Corporation to Execute its Strategy for Building Shareholder Value
The Corporation's strategy for building shareholder value is to acquire or develop high-quality power production facilities that generate sustainable cash flows and provide an attractive risk-adjusted return on invested capital, and to distribute a stable dividend. However, there is no certainty that the Corporation will be able to acquire or develop high-quality power production facilities at attractive prices to supplement its growth.

The successful execution of this strategy requires careful timing and business judgment, as well as the resources to complete the development of power generating facilities. The Corporation may underestimate the costs necessary to bring power generating facilities into commercial operation or may be unable to quickly and efficiently integrate new acquisitions into its existing operations.

Ability to Raise Additional Capital and the State of the Capital Market
Future development and construction of new facilities and the development of the Development Projects and the Prospective Projects and other capital expenditures will be financed out of cash generated from the Corporation's operating facilities, borrowing or the issuance and sale of additional equity. To the extent that external sources of capital, including issuance of additional securities of the Corporation, become limited or unavailable, the Corporation's ability to make necessary capital investments to construct or maintain existing or future facilities would be impaired. There is no certainty that sufficient capital will be available on acceptable terms to fund further development or expansion. There are numerous renewable energy projects to be constructed in the coming years that will result in competition for capital. In addition, payment of dividends may impair the Corporation's ability to finance its ongoing and future projects.

Furthermore, the Corporation's capital-raising efforts could involve the issuance and sale of additional Common Shares, or debt securities convertible into its Common Shares, which, depending on the price at which such shares or debt securities are issued or converted, could have a material dilutive effect on holders of the Corporation's Common Shares and adversely impact the trading price of the Corporation's Common Shares.

Liquidity Risks Related to Derivative Financial Instruments
Derivative financial instruments are entered into with major financial institutions and their effectiveness is dependent on the performance of these institutions. Failure by one of them to perform its obligations could involve a liquidity risk. Liquidity risks related to derivative financial instruments also include the settlement of bond forward contracts on their maturity dates and the early termination option included in some interest rate swap contracts and foreign exchange contracts. The Corporation uses derivative financial instruments to manage its exposure to the risk of an increase in interest rates on its debt financing, of foreign currency variation or of electricity market price variation. The Corporation does not own or issue financial instruments for speculation purposes.

Variability in Hydrology, Geothermal Resources, Wind Regimes and Solar Irradiation
The amount of energy generated by the Corporation's hydroelectric facilities depends on the availability of water flows. There is no certainty that the long-term availability of such resources will remain unchanged. The Corporation's revenues may be significantly affected by events that impact the hydrological conditions of the Corporation's hydroelectric project facilities such as low and high-water flows within the watercourses on which the Corporation's hydroelectric facilities are located. In the event of severe flooding, the Corporation's hydroelectric facilities may be damaged. Geothermal resources by their nature deteriorate over time. There is no certainty that there will be sufficient geothermal fluids to maintain the resource or that generation of power will permit maintenance of the resource as presently anticipated. Similarly, the amount of energy generated by the Corporation's wind farms will depend upon the availability of wind, which is naturally variable. A reduced or increased amount of wind at the location of one of the wind farms over an extended period may reduce the production from such facility and may reduce the Corporation's revenues and profitability. Finally, the amount of energy to be generated by the Corporation's solar farm will depend on the availability of solar radiation, which is naturally variable. Lower solar irradiation levels at only Corporation's solar farm over an extended period may reduce the production from such facilities and the Corporation's revenues and profitability. Variability in hydrology, geothermal resources, wind regimes and solar irradiation and their predictability may also be affected by climate changes which may provoke unforeseen changes in the historical trends.

Delays and Cost Overruns in the Design and Construction of Projects
Delays and cost over-runs may occur in completing the construction of the Development Projects and the development and construction of Prospective Projects and future projects that the Corporation will undertake. A number of factors which could cause such delays or cost over-runs include, without limitation, permitting delays, construction pricing escalation, changing engineering and design requirements, the performance of contractors, labour disruptions, adverse weather conditions and the availability of financing. Even when complete, a facility may not operate as planned due to design or manufacturing flaws, which may not all be covered by warranty. Mechanical breakdown could occur in equipment after the period of warranty has expired, resulting in loss of production as well as the cost of repair. In addition, if the Development Projects are not brought into commercial operation within the delay stipulated in their PPA, the Corporation may be subject to penalty payments or the counterparty may be entitled to terminate the related PPA.

The Ability to Secure New Power Purchase Agreements or Renew Any Power Purchase Agreement
Securing new PPAs, which is a key component of the Corporation's growth strategy, is a risk factor in light of the competitive environment faced by the Corporation. The Corporation expects to continue to enter into PPAs for the sale of its power, which PPAs are mainly obtained through participation in competitive Requests for Proposals processes or bilateral negotiations. During these processes and negotiations, the Corporation faces competitors ranging from large utilities to small independent power producers, some of which have significantly greater financial and other resources than the Corporation. There is no assurance that the Corporation will be selected as power supplier following any particular Request for Proposals in the future, that the Corporation will be successful in such negotiations or that existing PPAs will be renewed or will be renewed on equivalent terms and conditions upon the expiry of their respective terms.

Fluctuations Affecting Prospective Power Prices
If the Corporation is unable to secure PPAs or power hedges for its development assets, or maintain or renew PPAs for its producing assets or contract for the sale of 100% of generation, the Corporation may be forced to sell electrical power generated at market price. Further, most of the output at the Shannon wind farm is, and once completed the Flat Top Wind Farm will be, sold under a long-term power hedge agreement. All output not sold under the long-term power hedge agreement is subject to merchant prices. If the Corporation is unable to produce sufficient power to meet its contractual obligations under its PPAs, the Corporation will be forced to purchase third-party power at merchant prices. If the settlement point of the Corporation's long-term power hedge agreements differs from the point of interconnection, power sales pursuant to that power hedge are further subject to locational risk. This potential difference in pricing is referred to as a "basis differential". Depending on the specifics of the power hedge, a large basis differential could require the Corporation to purchase third-party power at merchant prices, or otherwise supplement the basis differential to the hedge provider. Power sales under power hedges are also required to be sold in blocks of hourly periods. If the Corporation's output within any given block is insufficient to meet its contractual commitments, it may be required to purchase third party power at merchant prices to meet its commitments. This potential risk is referred to as a "shape risk".

The market price of power in individual jurisdictions can be volatile and may be incapable of being controlled. If the price of electricity should drop significantly, in each of the cases described above, the economic prospects of the operational properties that rely, in whole or in part, on merchant prices, such as Shannon, Miller Creek or development properties in which the Corporation has an interest, could be significantly reduced or rendered uneconomic. The Corporation expects that the Flat Top project will be subject to similar risks. A material reduction in such prices, or a non-material reduction in such prices coupled with the impact of the aggregate risks described above, could have a material adverse effect on the Corporation's financial condition, in particular, with respect to the Shannon project.

Health, Safety and Environmental Risks
The ownership, construction and operation of the Corporation's power generation assets carry an inherent risk of liability related to worker health and safety and the environment, including the risk of government imposed orders to remedy unsafe conditions and/or to remediate or otherwise address environmental contamination, potential penalties for contravention of health, safety and environmental laws, licences, permits and other approvals, and potential civil liability. Compliance with health, safety and environmental laws (and any future changes) and the requirements of licences, permits and other approvals remain material to the Corporation's business. The Corporation has incurred and will continue to incur significant capital and operating expenditures to comply with health, safety and environmental laws and to obtain and comply with licences, permits and other approvals and to assess and manage its potential liability exposure. Nevertheless, the Corporation may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health, safety and environmental matters. The occurrence of any of these events or any changes, additions to or more rigorous enforcement of, health, safety and environmental laws, licences, permits or other approvals could have a significant impact on operations and/or result in additional material expenditures. As a consequence, no assurances can be given that additional environmental and workers' health and safety issues relating to presently known or unknown matters will not require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) material to its business and operations.

Uncertainties Surrounding Development of New Facilities
The Corporation participates in the construction and development of new power generating facilities. These facilities have greater uncertainty surrounding future profitability than existing operating facilities with established track records. In certain cases, many factors affecting costs are not yet determined, such as land royalty payments, water royalties, or municipal taxes. The Corporation is in some cases required to advance funds and post-performance bonds during development of its new facilities. If some of these facilities are not completed or do not operate to the expected specifications, or unforeseen costs or taxes are incurred, the Corporation could be adversely affected.

Obtainment of Permits
The Corporation does not currently hold all the approvals, licences and permits required for the construction and operation of the Development Projects or the Prospective Projects, including environmental approvals and permits necessary to construct and operate the Development Projects or the Prospective Projects. The failure to obtain or delays in obtaining all necessary licences, approvals or permits, including renewals thereof or modifications thereto, could result in construction of the Development Projects or the Prospective Projects being delayed or not being completed or commenced. There can be no assurance that any one Prospective Project will result in any actual operating facility.

In addition, delays may occur in obtaining necessary government approvals required for future power projects.

From time to time, and to secure long lead times required for ordering equipment, the Corporation may place orders for equipment and make deposits thereon or advance projects prior to obtaining all requisite permits and licences. The Corporation only takes such actions where it reasonably believes that such licences or permits will be forthcoming in due course prior to the requirement to expend the full amount of the purchase price. However, any delay in permitting could adversely affect the Corporation.

Environmental permits to be issued regarding any of the Development Projects or the Prospective Projects may contain conditions that need to be satisfied prior to obtaining a PPA, to start construction, during construction and during and after the operation of the Development Projects. It is not possible to predict the conditions imposed by such permits or the cost of any mitigating measures required by such permits.

Equipment Failure or Unexpected Operations and Maintenance Activity
The Corporation's facilities are subject to the risk of equipment failure due to deterioration of the asset from use or age, latent defect and design or operator error, among other things. To the extent that a facility's equipment requires longer-than-forecast down times for maintenance and repair, or suffers disruptions of power generation for other reasons, the Corporation's business, operating results, financial condition or prospects could be adversely affected.

Interest Rate Fluctuations and Refinancing Risk
Interest rate fluctuations are of particular concern to a capital-intensive industry such as the electric power business. The Corporation faces interest rate and debt refinancing risk in respect of floating-rate bank credit facilities used for construction and long-term financings. The Corporation's ability to refinance debt on favourable terms is dependent on debt capital market conditions, which are inherently variable and difficult to predict.

Financial Leverage and Restrictive Covenants Governing Current and Future Indebtedness
The Corporation's and its subsidiaries' operations are subject to contractual restrictions contained in the instruments governing any of their current and future indebtedness. The degree to which the Corporation and its subsidiaries are leveraged could have important consequences to shareholders, including: (i) the Corporation's and its subsidiaries' ability to obtain additional financing for working capital, capital expenditures, acquisitions or other project developments in the future may be limited; (ii) a significant portion of the Corporation's and its subsidiaries' cash flows from operations may be dedicated to the payment of the principal of and interest on their indebtedness, thereby reducing funds available for future operations; (iii) certain of the Corporation's and its subsidiaries' borrowings will be at variable rates of interest, which exposes the Corporation and its subsidiaries to the risk of increased interest rates; and (iv) the Corporation and its subsidiaries may be more vulnerable to economic downturns and be limited in their ability to withstand competitive pressures.

The Corporation and its subsidiaries are subject to operating and financial restrictions through covenants in certain loan, equity finance and security agreements. These restrictions prohibit or limit the Corporation's and its subsidiaries' ability to, among other things, incur additional debt, provide guarantees for indebtedness, create liens, dispose of assets, liquidate, dissolve, amalgamate, consolidate or effect any corporate or capital reorganization, make distributions or pay dividends, issue any equity interests and create subsidiaries. These restrictions may limit the Corporation's and its subsidiaries' ability to obtain additional financing, withstand downturns in the Corporation's and its subsidiaries' business and take advantage of business opportunities. Moreover, the Corporation and its subsidiaries may be required to seek additional debt or equity financing on terms that include more restrictive covenants, require repayment on an

accelerated schedule or impose other obligations that limit the Corporation's or its subsidiaries' ability to grow the business, acquire assets or take other actions the Corporation or its subsidiaries might otherwise consider appropriate or desirable.

Possibility that the Corporation May Not Declare or Pay a Dividend
Holders of Common Shares, Series A Shares and Series C Shares do not have a right to dividends on such shares unless declared by the Board of Directors. The declaration of dividends is at the discretion of the Board of Directors even if the Corporation has sufficient funds, net of its liabilities, to pay such dividends.

The Corporation may not declare or pay a dividend if the Corporations' cash available for distribution is not sufficient or if there are reasonable grounds for believing that (i) the Corporation is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of its outstanding shares.

Potential Undisclosed Liabilities Associated with the Alterra Acquisition
There may be liabilities and contingencies that management of the Corporation did not discover in its due diligence prior to consummation of the Alterra Acquisition and the Corporation may not be indemnified for these liabilities and contingencies. The discovery of any material liabilities or contingencies relating to the business of Alterra following the Alterra Acquisition could have a material adverse effect on the business, financial condition and results of operations of the Corporation.

Failure to Realize the anticipated Benefits of the Alterra Acquisition
The Corporation believes that the Alterra Acquisition will provide benefits for the Corporation. However, there is a risk that some or all the expected benefits will fail to materialize, or may not occur within the time periods anticipated by the management of the Corporation. The realization of such benefits may be affected by many factors, many of which are beyond the control of the Corporation.

Integration of the Alterra Acquisition
The integration of the Alterra team, activities, operations and facilities may result in significant challenges and management of the Corporation may be unable to accomplish the integration successfully or without spending significant amounts of money. There can be no assurance that Management will be able to integrate successfully the Alterra team, activities and facilities or fully realize the expected benefits of the Alterra Acquisition.

Changes in Governmental Support to Increase Electricity to be Generated from Renewable Sources by Independent Power Producers
Development and growth of renewable energy is dependent on governmental support, policies and incentives. Many provincial governments have introduced portfolio standards, tax credits and other incentives to increase the portion of renewable energy in their electricity generation supply mix to reduce greenhouse gas emissions over time. There is a risk that governmental support providing incentives for renewable energy could change at any time and that additional increase in the procurement of renewable energy projects from independent power producers be reduced or suspended at any time. As a result, the Corporation may face reduced ability to develop its prospective projects and may suffer material write-offs of prospective projects.

Variability of Installation Performance and Related Penalties
The ability of the Corporation's facilities to generate the maximum amount of power which can be sold to Hydro-Québec, BC Hydro, the OPA, Électricité de France and other purchasers of electricity under PPAs is an important determinant of the Corporation's revenues. If one of the Corporation's facilities delivers less than the required quantity of electricity in a given contract year or is otherwise in default under its respective PPA, penalty payments may be payable to the relevant purchaser by the Corporation. The payment of any such penalties by the Corporation could adversely affect the revenues and profitability of the Corporation.

Ability to Attract New Talent or to Retain Officers or Key Employees
The Corporation's officers and other key employees play a significant role in the Corporation's success. The conduct of the Corporation's business and the execution of the Corporation's growth strategy rely heavily on teamwork and the Corporation's future performance and development depend to a significant extent on the abilities, experience and efforts of its management team. The Corporation's ability to retain its management team or attract suitable replacements should key members of the management team leave is dependent on the competitive nature of the employment market.

The loss of services from key members of the management team or a limitation in their availability could adversely impact the Corporation's prospects, financial condition and cash flow.

Further, such a loss could be negatively perceived in the capital markets. The Corporation's success also depends largely upon its continuing ability to attract, develop and retain skilled employees to meet its needs from time to time.

Litigation
In the normal course of its operations, the Corporation may become involved in various legal actions, typically involving claims relating to contract disputes, personal injuries, property damage, property taxes and land rights. The Corporation maintains adequate provisions for its outstanding or pending claims. The final outcome with respect to outstanding, pending or future actions cannot be predicted with certainty, and therefore there can be no assurance that their resolution will not have an adverse effect on the financial position or results of operation of the Corporation in a particular quarter or financial year. See "Legal Proceedings".

Performance of Major Counterparties
The Corporation enters into purchase orders with third-party suppliers for generation equipment for projects under construction, generator interconnection agreements with utilities and other interconnection providers for transmission infrastructure and the right to interconnect such projects, each of which involves deposits prior to equipment being delivered and it also enters into construction agreements with contractors and other third parties. Should one or more of these suppliers or contractors be unable to meet their obligations under the contracts, this would result in possible loss of revenue, delay in construction and increase in construction costs for the Corporation. Failure of any equipment supplier, contractor or transmission provider to meet its obligations to the Corporation may result in the Corporation not being able to meet its commitments and thus lead to potential defaults under PPAs or power hedges.

Social Acceptance of Renewable Energy Projects
The social acceptance by local stakeholders, including, in some cases, First Nations and other aboriginal peoples, and local communities is critical to our ability to find and develop new sites suitable for viable renewable energy projects. Failure to obtain proper social acceptance for a project may prevent the development and construction of a project and lead to the loss of all investments made in the development and the write-off of such prospective project.

Relationships with Stakeholders
The Corporation enters into various types of arrangements with communities or joint venture partners for the development of its projects. Certain of these partners may have or develop interests or objectives which are different from or even in conflict with the objectives of the Corporation. Any such differences could have a negative impact on the success of the Corporation's projects. The Corporation is sometimes required through the permitting and approval process to notify and consult with various stakeholder groups, including landowners, First Nations and municipalities. Any unforeseen delays in this process may negatively impact the ability of the Corporation to complete any given project on time or at all.

Equipment Supply
The Corporation's development and operation of power facilities is dependent on the supply of equipment from third parties. Equipment pricing may rapidly increase depending, among others, on the equipment availability, the raw material prices and on the market for such product. Any significant increase in the price of supply of equipment could negatively affect the future profitability of the Corporation's facilities and the Corporation's ability to develop other projects. There is no guarantee that manufacturers will meet all their contractual obligations. Failure of any supplier of the Corporation to meet its commitments would adversely affect the Corporation's ability to complete projects on schedule and to honour its obligations under PPAs or power hedges.

Exposure to Many Different Forms of Taxation in Various Jurisdictions
The Corporation is subject to many different forms of taxation in various jurisdictions throughout the world, including but not limited to, income tax, withholding tax, tax on capital, property tax, sales tax, transfer tax, social security and other payroll related taxes, which may be amended or may lead to disagreements with tax authorities regarding the application of tax law. Tax law and administration is extremely complex and often requires the Corporation to make subjective determinations. The computation of taxes involves many factors, including the interpretation of tax legislation in various jurisdictions in which the Corporation is or may become subject to tax assessments. The Corporation's estimate of tax related assets, liabilities, recoveries and expenses incorporates significant assumptions. These assumptions include, but are not limited to, the tax rates in various jurisdictions, the effect of tax treaties between jurisdictions and taxable income projections. To the extent that such assumptions differ from actual results, the Corporation may have to record additional tax expenses and liabilities, including interest and penalties.

Changes in General Economic Conditions
Most of the PPAs of the Corporation have fixed price adjusted annually for inflation on a CPI formula basis. If the inflation is lower than expected or if it decreases, the Corporation's expected revenues and projected adjusted EDITDA and free cash flow may be lower than expected or reduced which would respectively impact the payout ratio.

Regulatory and Political Risks
The development and operation of power generating facilities are subject to changes in governmental regulatory requirements and the applicable governing statutes, including regulations related to the environment, unforeseen environmental effects, general economic conditions and other matters beyond the control of the Corporation.

Moreover, the operation of power generating facilities is subject to extensive regulation by various government agencies at the municipal, provincial and federal levels. There is always the risk of changes being made in government policies and laws which may result in increased rates, such as for water rentals, and for income, capital and municipal taxes.

The Corporation holds permits and licences from various regulatory authorities for the construction and operation of its facilities. These licences and permits are critical to the operation of the Corporation's business. Most of these permits and licences are long-term in nature, reflecting the anticipated useful life of the facilities. In some cases, these permits may need to be renewed prior to the end of the anticipated useful life of such facilities and there is no guarantee that such renewals will be granted or on which conditions they will be renewed. These permits and licences require the Corporation's compliance with the terms thereof.

Ability to Secure Appropriate Land
There is significant competition for appropriate sites for new power generating facilities. Optimal sites are difficult to identify and obtain given that geographic features, legal restrictions and ownership rights naturally limit the areas available for site development. There can be no assurance that the Corporation will be successful in obtaining any particular site in the future.

Reliance on Various Forms of PPAs
The power generated by the Corporation is mostly sold under long-term power purchase agreements and in some cases under power hedges and commercial and retail contracts. If, for any reason, any of the purchasers of power under such PPAs were unable or unwilling to fulfill their contractual obligations under the relevant PPA or if they refuse to accept delivery of power pursuant to the relevant PPA, the Corporation's business, operating results, financial condition or prospects could be adversely affected. If the Development Projects are not brought into commercial operation within the delay stipulated in their respective PPA or power hedges, the Corporation may be subject to penalty payments or the counterparty may be entitled to terminate the related PPA or power hedges.

Availability and Reliability of Transmission Systems
The Corporation's ability to sell electricity is impacted by the availability of the various transmission systems in each jurisdiction. The failure of existing transmission facilities, the lack of adequate transmission capacity or delays in construction would have a material adverse effect on the Corporation's ability to deliver electricity to its various counterparties or to the point of interconnection, thereby affecting the Corporation's business, operating results, financial condition or prospects.

Foreign Market Growth and Development risks
The Corporation may, regarding any international expansion of its activities, face risks related to (i) its ability to effectively consummate future acquisitions, create new partnerships and develop, construct and operate projects in an unfamiliar regulatory and procurement market (ii) competing with more established competitors, (iii) foreign exchange fluctuations, (iv) lack of knowledge of foreign market and (v) changes in international and local taxation.

Foreign Exchange Fluctuations
The Corporation occasionally purchases equipment from foreign suppliers. As such, the Corporation may be exposed to changes in the Canadian dollar in relation to the foreign currency denominated equipment purchases. Our development work and operations in Canada, France, the United States, Iceland and Latin America make us subject to foreign currency fluctuations.

Some of our revenue and costs are denominated in currencies other than the Canadian dollar. Foreign exchange fluctuations may impact our results as they are reported in Canadian dollars.

Our functional and reporting currency is the Canadian dollar. As such, our foreign investments, operations costs and assets will be exposed to net changes in currency exchange rates. Volatility in exchange rates could have an adverse effect on our business, financial condition and operating results.

Increase in Water Rental Cost or Changes to Regulations Applicable to Water Use
The Corporation is required to make rental payments for water rights once its projects are in commercial operation. Significant increases in water rental costs in the future or changes in the way that the governments of Québec, British Columbia, Ontario and Idaho, United States regulate water supply or apply such regulations could have a material adverse effect on the Corporation's business, operating results, financial condition or prospects.

Assessment of Water, Wind, Geothermal and Sun Resources and Associated Electricity Production
The strength and consistency of the water, geothermal, wind and sun resources at power facilities of the Corporation may vary from what the Corporation anticipates. Electricity production estimates of the Corporation are based on assumptions and factors that are inherently uncertain, which may result in actual electricity production being different from the estimates of the Corporation, including (i) the extent to which the limited time period of the site-specific hydrological, wind, geothermal or solar data accurately reflects long-term water flows, wind speeds, geothermal resources and solar radiation; (ii) the extent to which historical data accurately reflects the strength and consistency of the water, wind, geothermal and solar resources in the future; (iii) the strength of the correlation between the site-specific water, wind, geothermal and sun data and the longer-term regional data; (iv) the potential impact of climatic factors; (v) the accuracy of assumptions on a variety of factors, including but not limited to weather, icing and soiling of water and wind turbines and snow on solar panels, site access, wake and line losses, replenishment and maintenance of geothermal resources and wind shear; (vi) the accuracy with which anemometers measure wind speed, and the difference between the hub height of the wind turbines and the height of the meteorological towers used for data collection; (vii) the potential impact of topographical variations, turbine placement and local conditions, including vegetation; (viii) the inherent uncertainty associated with the specific methodologies and related models, in particular future-orientated models, used to project the water, wind and sun resource; and (ix) the potential for electricity losses to occur before delivery.

Natural Disasters and Force Majeure
The Corporation's facilities, operations and project under development are exposed to potential damage, partial or full loss, resulting from environmental disasters (e.g. floods, high winds, fires, and earthquakes), equipment failures or other unforeseen event. The occurrence of a significant event which disrupts or delay the ability of the Corporation's power generation assets to produce or sell power for an extended period, including events which preclude existing customers under PPAs from purchasing electricity, could have a material negative impact on the business of the Corporation. The Corporation's generation assets could be exposed to effects of severe weather conditions, natural disasters and potentially catastrophic events such as a major accident or incident. The occurrence of such an event may not release the Corporation from performing its obligations pursuant to PPAs, power hedges or other agreements with third parties. Furthermore, force majeure event affecting our assets could result in damages to the environment or harm third parties. In addition, many of the Corporation's projects are located in remote areas which make access for repair of damage difficult.

Dam Failure
The occurrence of dam failures at any of the Corporation's hydroelectric power facilities could result in a loss of generating capacity and repairing such failures could require the Corporation to incur significant expenditures of capital and other resources. Such failures could result in the Corporation being exposed to significant liability for damages. There can be no assurance that the dam safety program will be able to detect potential dam failures prior to occurrence or eliminate all adverse consequences in the event of failure. Safety regulations relating to dam safety could change from time to time, potentially impacting a facility's costs and operations. The consequences of dam failures could have a material adverse effect on the Corporation's business, operating results, financial condition or prospects.

Cybersecurity
The Corporation is dependent on various information technologies to carry out multiple business activities. A successful cyber intrusion, such as, and not limited to, unauthorized access, malicious software or other violations on the system that control generation and transmission at any of our offices or facilities could severely disrupt or otherwise affect business operations or diminish competitive advantages. These attacks on our information base systems through theft, alteration or destruction could generate unexpected expenses to investigate and repair security breaches or system damage and could lead to litigation, fines, other remedial action, heightened regulatory scrutiny and damage to our reputation. A breach of our cyber/data security measures could have a material adverse effect on the Corporation's business, operations, financial condition and operating results.

Sufficiency of Insurance Coverage Limits and Exclusions
While the Corporation maintains insurance coverage, it is subject to limits and exclusions and there is no certainty that such insurance will continue to be offered on an economically feasible basis, nor that all events that could give rise to a loss or liability are insurable, nor that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving our activities or assets.

Credit Rating May Not Reflect Actual Performance of the Corporation or a Lowering (Downgrade) of the Credit Rating

The credit ratings applied to the Corporation, the Series A and Series C Shares (the "Credit Ratings") are an assessment, by the rating agencies, of the Corporation's ability to pay its obligations. The Credit Ratings are based on certain assumptions about the future performance and capital structure of the Corporation that may or may not reflect the actual performance or capital structure of the Corporation. Changes in the Credit Ratings in the future may affect the market price or value and the liquidity of the securities of the Corporation. There is no assurance that any Credit Ratings will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the rating agencies.

Integration of the Facilities and Projects Acquired and to be Acquired

The integration of facilities and assets acquired or to be acquired through the acquisitions of the Corporation may result in significant challenges, and management of the Corporation may be unable to accomplish the integration successfully or without spending significant amounts of money. There can be no assurance that management will be able to integrate successfully the assets acquired or to be acquired through acquisitions or fully realize the expected benefits of any such acquisitions.

Failure to Realize the Anticipated Benefits of Acquisitions

The Corporation believes that the acquisitions recently completed and to be completed will provide benefits for the Corporation. However, there is a risk that some or all of the expected benefits may fail to materialize, or may not occur within the time periods anticipated by the management of the Corporation. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of the Corporation.

Reliance on Shared Transmission and Interconnection Infrastructure

The six Harrison Operating Facilities, the Northwest Stave River Facility, the Tretheway Creek Facility and the Big Silver Creek Facility (the "**Sharing Facilities**") all share or will share joint transmission and interconnection infrastructure to transmit their electrical energy generation to a joint substation, which then interconnects to the common point of interconnection for the Sharing Facilities at the adjacent BC Hydro Upper Harrison terminal substation. Therefore, damage to or a failure of the shared transmission and interconnection infrastructure may result in the Sharing Facilities being unable to deliver their electrical energy generation to the point of interconnection with BC Hydro's transmission system in accordance with the requirements for sale of energy under the PPAs with BC Hydro in respect of the six Harrison Operating Facilities, the Northwest Stave River Facility, Tretheway Creek Facility and the Big Silver Creek Facility. All six Harrison Operating Facilities also share one common interconnection agreement with BC Hydro and act as agent for the Northwest Stave Facility, the Tretheway Creek Facility and the Big Silver Creek Facility. Therefore, a default by any one of the Sharing Facilities of its obligations under the interconnection agreement may result in BC Hydro disconnecting all the Sharing Facilities from the BC Hydro transmission system.

Revenues from the Miller Creek Facility Vary Based on the Spot Price of Electricity

Because the price for electricity purchased from the Miller Creek Facility is based on a formula using the Platts mid-C spot price for electricity, revenues under the applicable power purchase agreement will vary. If the Platts mid-C index declines from its current levels, the Miller Creek Facility's revenues and adjusted EBITDA will be negatively impacted. An increase in the volatility of the Platts mid-C spot price would add uncertainty to the determination of potential revenues and adjusted EBITDA of the Miller Creek Facility and could have an adverse impact on the Corporation's results.

Risks related to U.S. Production Tax Credits, Changes in U.S. Corporate Tax Rates and Availability of Tax Equity Financing

The Corporation owns interest in projects for which on and off-site project activities are or were performed to qualify for United States renewable tax incentives (production tax credits, or "PTCs"). There can be no assurance that the projects will qualify for PTCs or, if they do, that they will qualify for full PTCs. There also can be no assurance that the PTCs will continue to be available. Any new tax rule, regulation or other guidance promulgated (as the same may be amended, updated or otherwise modified from time to time, including those amendments passed in late 2017) USA may jeopardize or otherwise impede the effectiveness of such on and off-site project activities qualifying such projects for the full value of PTCs.

Qualification of the projects for PTCs is critical to obtaining tax equity financing for wind projects. The inability to qualify the projects for PTCs, in whole or in part, would adversely affect the financing options for those projects. If the qualification of a project for PTCs is not successful, there may be a material impairment of the Corporation's investment in that project.

Other government actions could be taken that could, directly or indirectly, inhibit the Corporation's ability to raise tax equity financing. For example, following the tax reform enacted in late-2017, lower corporate tax rates in the United States may impact the amount of available tax equity investment for specific projects or generally in the market, impeding our ability to obtain sufficient amounts of tax equity investment on terms and at rates beneficial to the Corporation and its projects.

Host Country Economic, Social and Political Conditions

A number of the Corporation's principal assets are located in foreign domiciles. Although the operating environments in these jurisdictions are considered favorable compared to that in other countries, there are still economic, social and political risks associated with operating in foreign jurisdictions. These risks include, but are not limited to, terrorism, hostage taking, war, civil unrest or military repression, expropriation, repatriation or nationalization without adequate compensation, extreme fluctuations in currency exchange rates, high rates of inflation and labor unrest, renegotiation or nullification of existing concessions, licenses, permits and contracts, difficulties enforcing judgments in such jurisdictions, changes to tax and royalty regimes, changes to environmental regulatory regimes, volatile local political, legal and economic climates, nepotism, subsidies directed at industries competing with ours, difficulties obtaining key equipment and components for equipment, currency control and host-country favourable legislation.

Host country economic, social and political uncertainty can arise as a result of lack of support for our activities in local communities in the vicinity of our properties. Changes in renewable resource, energy or investment policies or shifts in political attitudes may also adversely affect the Corporation's business. The effect of these factors cannot be accurately predicted. Though the effects of competition will increase the likelihood of market efficiencies and benefit our properties, elimination of power cost subsidies may increase the inability of end-use consumers to pay for power and lead to political opposition to privatization initiatives and have an adverse impact on our properties and operations.

Risks Inherent in Geothermal Resources

Until a geothermal resource is actually accessed and tested by production wells, the temperature and composition of underground fluids must be considered estimates only. In addition, estimates as to the percentage of heat that can be expected to be recovered at the surface and the efficiency of converting the heat into electrical energy are subject to a number of assumptions including, but not limited to, resource base temperature, areal extent of the geothermal reservoir, thickness of the geothermal reservoir, percentage of resource recovery and the expected lifetime of the geothermal reservoir. All statements as to MW capacity and expected generation, even in operational geothermal power facilities, are therefore necessarily subject to natural fluctuations. If any of these assumptions proves to be materially incorrect, it may affect the generation capacity of a property.

Aluminum Price Risks

A portion of the revenue of the Corporation's Icelandic operations is subject to the market price for aluminum. Accordingly, fluctuations in the market price for aluminum could have a material adverse effect on the Corporation's financial position.

Geological Occurrences, Rockslides, Avalanches or Other Occurrences outside Corporation's Control

Hazards such as unusual or unexpected geologic formations, pressures, downhole conditions, rockslides, other events associated with steep terrain, mechanical failures, blowouts, cratering, localized ground subsidence, localized ground inflation, pollution and other physical and environmental risks can affect our development and production activities. These hazards could result in substantial losses including injury and loss of life, severe damage to and destruction of property and equipment, pollution and other environmental damage and suspension of operations.

Additionally, active geothermal areas, such as the areas in which our geothermal operations and properties are located, are subject to frequent low-level seismic disturbances. Serious seismic disturbances are possible and could result in damage to the Corporation's projects or equipment or degrade the quality of its geothermal resources to such an extent that the Corporation could not perform under the contract for the affected project, which in turn could reduce the Corporation's net income and materially and adversely affect its business, financial condition, future results and cash flow.

Adverse Claims to Property Title

Although the Corporation has taken reasonable precautions to ensure that legal title to its properties is properly documented, there can be no assurance of title to any of its property interests, or that such title will ultimately be secured. However, the results of the Corporation's investigations should not be construed as a guarantee of title. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. The Corporation's property interests may also be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

The Corporation cannot guarantee that title to its properties will not be challenged. Title insurance is not always available, or available on acceptable terms, and the Corporation's ability to ensure that it has obtained secure claim to individual properties may be severely constrained. A successful challenge to the precise area and location of these claims could result in the Corporation being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties.

Unknown Liabilities

As part of the Corporation's past and future acquisitions, it has assumed liabilities and risks. While the Corporation conducted due diligence, there may be liabilities or risks that the Corporation failed, or was unable, to discover in the course of performing the due diligence investigations or for which the Corporation was not indemnified. Any such liabilities, individually or in the aggregate, could have a material adverse effect on the Corporation's financial position and results of operations.

Reliance on Intellectual Property and Confidential Agreements to Protect our Rights and Confidential Information

The Corporation's success and competitive position are dependent in part upon our proprietary methods and intellectual property. Although the Corporation seeks to protect its proprietary rights through a variety of means, it cannot guarantee that the protective steps it has taken are adequate to protect these rights.

The Corporation also relies on confidentiality agreements with certain employees, consultants and other third parties to protect, in part, trade secrets and other proprietary information. These agreements could be breached and the Corporation may not have adequate remedies for such a breach. In addition, others could independently develop substantially equivalent proprietary information or gain access to the Corporation's trade secrets or proprietary information.

DIVIDENDS

The declaration and payment of dividends on the Corporation's shares is within the discretion of the Board of Directors. The Board of Directors will determine if and when dividends should be paid in the future based on all relevant circumstances, including the desirability of maintaining capital to finance further growth of the Corporation and the Corporation's financial position at the relevant time. As publicly disclosed, the Corporation currently pays a dividend of $0.68 per Common Share per annum, payable on a quarterly basis and to pay the dividend rate applicable to the Series A Shares and Series C Shares. See "Description of Capital Structure" – General Description of Capital Structure - Preferred Shares – Series A Shares and Series B Shares and Series C Shares".

The following table sets forth the dividends declared by the Corporation to its shareholders of Common Shares during its financial years 2015, 2016 and 2017.

Date Declared	Amount paid per Common Share	Dividend Payment	Aggregate Dividend Amount
2015			
February 24	$0.155	April 15, 2015	$15,664,483
May 13	$0.155	July 15, 2015	$15,696,676
August 5	$0.155	October 15, 2015	$16,174,353
November 10	$0.155	January 15, 2016	$16,110,488
2016			
February 24	$0.160	April 15, 2016	$16,641,088
May 10	$0.160	July 15, 2016	$17,275,538
August 4	$0.160	October 17, 2016	$17,298,588
November 9	$0.160	January 16, 2017	$17,309,054
2017			
February 23	$0.165	April 17, 2017	$17,881,901
May 9	$0.165	July 17, 2017	$17,893,209
August 3	$0.165	October 16, 2017	$17,925,730
November 9	$0.165	January 15, 2018	$17,920,333

The following table sets forth the dividends declared by the Corporation to its shareholders of Series A Shares during its financial years 2015, 2016 and 2017.

Date Declared	Amount paid per Series A Share	Dividend Payment	Aggregate Dividend Amount
2015			
February 24	$0.3125	April 15, 2015	$1,062,500
May 13	$0.3125	July 15, 2015	$1,062,500
August 5	$0.3125	October 15, 2015	$1,062,500
November 10	$0.3125	January 15, 2016	$1,062,500
2016			
February 24	$0.2255	April 15, 2016	$766,700
May 10	$0.2255	July 15, 2016	$766,700
August 4	$0.2255	October 17, 2016	$766,700
November 9	$0.2255	January 16, 2017	$766,700
2017			
February 23	$0.2255	April 17, 2017	$766,700
May 9	$0.2255	July 17, 2017	$766,700
August 3	$0.2255	October 16, 2017	$766,700
November 9	$0.2255	January 15, 2018	$766,700

The following table sets forth the dividends declared by the Corporation to its shareholders of Series C Shares during its financial years 2015, 2016 and 2017.

Date Declared	Amount paid per Series C Share	Dividend Payment	Aggregate Dividend Amount
2015			
February 24	$0.359375	April 15, 2015	$718,750
May 13	$0.359375	July 15, 2015	$718,750
August 5	$0.359375	October 15, 2015	$718,750
November 10	$0.359375	January 15, 2016	$718,750
2016			
February 24	$0.359375	April 15, 2016	$718,750
May 10	$0.359375	July 15, 2016	$718,750
August 4	$0.359375	October 17, 2016	$718,750
November 9	$0.359375	January 16, 2017	$718,750
2017			
February 23	$0.359375	April 17, 2017	$718,750
May 9	$0.359375	July 17, 2017	$718,750
August 3	$0.359375	October 16, 2017	$718,750
November 9	$0.359375	January 15, 2018	$718,750

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The Corporation's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares issuable in series. As of February 21, 2018, 132,693,045 Common Shares, 3,400,000 Series A Shares, 2,000,000 Series C Shares were issued and outstanding and $100.0 million of 4.25% Convertible Debentures were issued and outstanding. The Corporation's Common Shares, Series A Shares, Series C Shares, and the 4.25% Convertible Debentures are listed on the TSX under the symbols "INE", "INE.PR.A", "INE.PR.C" and "INE.DB.A" respectively.

Common Shares
Holders of Common Shares are entitled to one vote per share on all matters to be voted on at all meetings of shareholders of the Corporation except meetings at which only the holders of a specified class or series of the share capital of the Corporation are entitled to vote.

Subject to the prior rights of the holders of Preferred Shares, the holders of Common Shares are entitled to receive, as and when declared by the Board of Directors out of the moneys of the Corporation properly applicable to the payment of dividends, dividends in such amounts and payable at such times as the Board of Directors will determine.

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, after payment to the holders of Preferred Shares to the amounts they are entitled to in such event, the remaining assets of the Corporation will be paid to or distributed equally and rateably among the holders of the Common Shares.

There are no rights of pre-emption, redemption or conversion in respect of the Common Shares.

Preferred Shares
Preferred Shares are issuable in series. The Board of Directors has the right to fix the number of and to determine the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series.

The Preferred Shares of each series, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, rank on a parity with the Preferred Shares of every other series and are entitled to a preference and priority over the Common Shares.

The holders of any series of Preferred Shares are entitled to receive, in priority to the holders of Common Shares, as and when declared by the Board of Directors, dividends in the amounts specified or determinable in accordance with the rights, privileges, restrictions and conditions attaching to the series of which such Preferred Shares form part.

The holders of Preferred Shares are not (except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class and meetings of holders of Series A Shares, Series B Shares or Series C Shares as a series, as applicable) entitled to receive notice of, attend, or vote at, any meetings of shareholders of the Corporation, unless and until the Corporation shall have failed to pay eight quarterly dividends on the Series A Shares, the Series B Shares or Series C Shares. In the event of such non-payment, and for only so long as the dividends remain in arrears, the holders of the Series A Shares, the Series B Shares or the Series C Shares, as applicable, will be entitled to receive notice of and to attend each meeting of the Corporation's shareholders, other than meetings at which only holders of another specified class or series are entitled to vote, and be entitled to vote together with all of the voting shares of the Corporation on the basis of one vote in respect of each Series A Share, Series B Share or Series C Share held by such holder, until all such arrears of such dividends have been paid, whereupon such rights shall cease.

The Corporation, subject to any rights attached to any particular series of Preferred Shares, may, at its option, redeem all or from time to time any part of the outstanding Preferred Shares on payment to the holders thereof, for each share to be redeemed, of the redemption price per share, together with all dividends declared thereon and unpaid. If entitled to pursuant to the conditions attached to any particular series of Preferred Shares, a holder of Preferred Shares is entitled to require the Corporation to redeem at any time and from time to time after the date of issue of any Preferred Shares, upon giving notice, all or any number of the Preferred Shares registered in the name of such holder on the books of the Corporation, at the redemption price per share, together with all dividends declared thereon and unpaid.

The Corporation may at any time and from time to time purchase for cancellation the whole or any part of the Preferred Shares outstanding at the lowest price at which, in the opinion of the directors of the Corporation, such shares are obtainable, provided that such price or prices does not in any case exceed the redemption price current at the time of purchase for the shares of the particular series purchased, plus costs of purchase together with all dividends declared thereon and unpaid.

Series A Shares and Series B Shares
On September 14, 2010, the Corporation completed the Series A Shares offering (the "**Series A Offering**"), which resulted in the issuance of a total of 3,400,000 Series A Shares. The rights and privileges attached to Series A Shares and Series B Shares are set forth in the Certificate of Amendment dated September 10, 2010 issued by Industry Canada in connection with the Series A Offering (the "**Series A and Series B Shares Terms**"). The following text is a description of the terms of the Series A Shares and the Series B Shares, a copy of which has been filed with the Canadian securities regulatory authorities on SEDAR at sedar.com. The following summary of certain provisions of the Series A and Series B Shares Terms is subject to, and is qualified in its entirety by reference to the Series A and Series B Shares Terms available on SEDAR at sedar.com.

For the initial five-year period from and including the date of issuance of the Series A Shares to, but excluding January 15, 2016 (the "**Initial Fixed Rate Period**"), holders of Series A Shares were entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the 15th day of January, April, July and October in each year at an annual rate equal to $1.25 per Series A Share. For each five−year period after the Initial Fixed Rate Period (each a "**Subsequent Fixed Rate Period**"), holders of Series A Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the 15th day of January, April, July and October in each year during the Subsequent Fixed Rate Period, in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate (as defined in the Series A Shares Prospectus) applicable to such Subsequent Fixed Rate Period by $25. The Annual Fixed Dividend Rate for each Subsequent Fixed Rate Period will be equal to the sum of the Government of Canada Yield (as defined in the Series A Shares Prospectus) on the 30th day prior to the first day of such Subsequent Fixed Rate Period plus 2.79%. For the five-year period from January 15, 2016 to but excluding January 15, 2021, the dividend on the Series A Shares will be $0.902 per share per annum.

Each holder of Series A Shares had the right, at its option, to convert all or any of its Series A Shares into Series B Shares on the basis of one Series B Share for each Series A Share converted, subject to certain conditions, on January 15, 2016 and will have the right, at its option, to effect such conversion on January 15 every five years thereafter (the "**Series A Conversion Date**"). The holders of Series B Shares are entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the 15th day of January, April, July and October in each year, in the annual amount per Series B Share determined in accordance with the formula set out in the short form prospectus for the Series A Shares dated September 7, 2010 (the "**Series A Shares Prospectus**"). As at January 15, 2016, no Series A Shares were converted into Series B Shares as the number of Series A Shares tendered for conversion were fewer than the 1,000,000 shares required for the ability to proceed with the conversion.

In addition, the Series A Shares are not redeemable by the Corporation prior to January 15, 2021. On January 15 every five years thereafter, subject to certain other restrictions set out in the Series A Shares Prospectus, the Corporation may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem for cash all or any number of the outstanding Series A Shares for $25 per Series A Share, in each case together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation).

The Series B Shares are not redeemable by the Corporation on or prior to January 15, 2021. Subject to certain other restrictions set out in the Series A Shares Prospectus, the Corporation may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or any number of the outstanding Series B Shares by payment in cash of a per share sum equal to (i) $25 in the case of redemptions on January 15, 2021 and on January 15 every five years thereafter (each a "**Series B Conversion Date**"), or (ii) $25.50 in the case of redemptions on any date which is not a Series B Conversion Date after January 15, 2021, in each case together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption (less any tax required to be deducted or withheld by the Corporation).

Series C Shares

On December 11, 2012, the Corporation completed the Series C Offering, which resulted in the issuance of a total of 2,000,000 Series C Shares. The rights and privileges attached to Series C Shares are set forth in the Certificate of amendment dated December 6, 2012 issued by Industry Canada in connection with the Series C Offering (the "**Series C Shares Terms**"). The following text is a description of the terms of the Series C Shares, a copy of which has been filed with the Canadian securities regulatory authorities on SEDAR at sedar.com. The following summary of certain provisions of the Series C Shares Terms is subject to, and is qualified in its entirety by reference to the Series C Shares Terms available on SEDAR at sedar.com.

The holders of Series C Shares are entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the 15th day of January, April, July and October in each year at an annual rate equal to $1.4375 per Series C Share.

The Series C Shares were not redeemable by the Corporation prior to January 15, 2018. Since January 15, 2018, the Corporation may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or any number of outstanding Series C Shares by payment in cash of a per share sum equal to (i) $26 if redeemed on or prior to January 15, 2019; (ii) $25.75 if redeemed thereafter and on or prior to January 15, 2020; (iii) $25.50 if redeemed thereafter and on or prior to January 15, 2021; (iv) $25.25 if redeemed thereafter and on or prior to January 15, 2022; and (v) $25 if redeemed thereafter, in each case together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption.

The Series C Shares do not have a fixed maturity date and are not redeemable at the option of the holders thereof.

4.25% Convertible Debentures

On August 10, 2015, the Corporation completed the offering of the 4.25% Convertible Debentures (the "**4.25% Convertible Debentures**") in the aggregate principal amount of $100.0 million.

The 4.25% Convertible Debentures were issued under an indenture, dated August 10, 2015, between the Corporation and Computershare Trust Company of Canada (the "**4.25% Convertible Debentures Indenture**"). The following summary of certain provisions of the 4.25% Convertible Debentures Indenture is subject to, and is qualified in its entirety by reference to, the provisions of the 4.25% Convertible Debentures Indenture, available on SEDAR at sedar.com.

The 4.25% Convertible Debentures have a maturity date of August 31, 2020 (the "**Maturity Date**") and bear interest at a rate of 4.25% per annum, payable semi-annually not in advance, on February 28 and August 31 in each year, and are convertible at the option of their holders into Common Shares at a conversion rate of 66.6667 Common Shares per $1,000 principal amount of 4.25% Convertible Debentures, which is equal to the Conversion Price.

On or after August 31, 2018 and prior to August 31, 2019, the 4.25% Convertible Debentures may be redeemed by the Corporation, in whole or in part from time to time, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the Conversion Price (the "**Current Market Price**").

On or after August 31, 2019 and prior to the Maturity Date, the 4.25% Convertible Debentures may be redeemed, in whole or in part, at the option of the Corporation on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest. Subject to required regulatory approval and provided that there is not a current event of default (as defined in the 4.25% Convertible Debentures Indenture), the Corporation may, at its option, elect to satisfy its obligation to pay the principal amount of the 4.25% Convertible Debentures on redemption or at maturity, in whole or in part, through the issuance of freely tradable Common Shares upon at least 40 days and not more than 60 days prior notice, by delivering that number of Common Shares obtained by dividing the principal amount of the 4.25% Convertible Debentures which are to be redeemed or have matured by 95% of the Current Market Price. Any accrued or unpaid interest will be paid in cash.

Ratings

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities.

The table to the right sets out the ratings of the Corporation, of its Series A Shares and of its Series C Shares received from Standard & Poor's ("**S&P**") as at February 21, 2018.

	S&P
Innergex Renewable Energy Inc.	BBB-
Series A Shares	P-3
Series C Shares	P-3

The Corporation is rated BBB- with a stable rating outlook by S&P. An S&P's issuer credit rating is a forward-looking opinion about an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. Such opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. S&P ratings for long-term debt instrument range from a high of AAA to a low of CC. Ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. According to S&P rating system, an obligor rated BBB has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. An S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). The outlook may be qualified as Positive, Negative, Stable, Developing or N.M. (not meaningful). A Stable rating outlook means that a rating is not likely to change.

The Series A Shares and the Series C Shares have each been given a Canadian scale rating of P-3 by S&P. Such P-3 rating is the tenth of twenty ratings used by S&P in its Canadian preferred share rating scale (the first rating being the highest and the twentieth rating being the lowest). According to S&P, such a P-3 rating indicates that although the obligation is considered to be less vulnerable to non-payment than other speculative issues, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

The Corporation has paid applicable service fees to S&P for the rating of the Corporation, of the Series A Shares and the Series C Shares and the annual review thereof. The Corporation has not paid any other amounts for other services provided by S&P within the last two years.

Ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. A security rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization.

MARKET FOR SECURITIES

Common Shares

The Common Shares are listed for trading on the TSX under the symbol “INE”.

The following table sets forth the price range and daily average trading volume, in Canadian dollars, of the Common Shares on the TSX for each month of the most recently completed financial year and the first two months of 2018.

	Highest price	Lowest price	Daily Average Volume
January 2017	14.18	13.64	99,270
February 2017	14.48	13.54	139,529
March 2017	14.74	14.03	110,851
April 2017	14.75	13.77	102,668
May 2017	14.65	13.80	146,542
June 2017	14.87	14.15	122,561
July 2017	14.76	14.14	101,283
August 2017	14.92	14.21	102,441
September 2017	15.72	14.25	143,920
October 2017	15.11	13.52	116,358
November 2017	14.53	13.39	202,890
December 2017	14.74	14.33	232,634
January 2018	14.53	13.49	212,099
February 1 to 20, 2018	14.10	13.00	406,197

Series A Shares

The Series A Shares are listed on the TSX under the symbol “INE.PR.A”.

The following table sets forth the price range, in Canadian dollars and daily average trading volume, of the Series A Shares on the TSX for each month of the most recently completed financial year and the first two months of 2018.

	Highest price	Lowest price	Daily Average Volume
January 2017	16.44	15.50	2,811
February 2017	16.27	15.42	4,566
March 2017	17.07	16.30	1,278
April 2017	17.80	16.75	984
May 2017	17.50	16.58	3,720
June 2017	17.00	16.52	1,742
July 2017	16.85	16.47	6,051
August 2017	17.16	16.65	1,311
September 2017	17.25	16.60	2,427
October 2017	18.44	17.10	3,472
November 2017	18.22	17.25	1,636
December 2017	17.83	17.01	2,250
January 2018	18.38	17.25	2,126
February 1 to 20, 2018	18.26	17.70	2,129

Series C Shares

The Series C Shares are listed on the TSX under the symbol “INE.PR.C”.

The following table sets forth the price range, in Canadian dollars and daily average trading volume, of the Series C Shares on the TSX for each month of the most recently completed financial year and the first two months of 2018.

	Highest price	Lowest price	Daily Average Volume
January 2017	21.89	20.61	1,317
February 2017	22.30	21.69	950
March 2017	23.50	22.08	1,121
April 2017	23.59	22.92	1,192
May 2017	23.51	22.99	729
June 2017	23.65	22.91	1,096
July 2017	23.20	22.85	2,868
August 2017	23.01	22.55	1,853
September 2017	22.81	22.25	2,577
October 2017	22.86	22.13	3,105
November 2017	23.15	22.51	1,194
December 2017	23.60	22.99	830
January 2018	23.51	23.03	599
February 1 to 20, 2018	23.20	22.73	1,069

4.25% Convertible Debentures

The 4.25% Convertible Debentures are listed on the TSX under the symbol “INE.DB.A”.

The following table sets forth the price range and daily average trading volume, in Canadian dollars, of the 4.25% Convertible Debentures on the TSX for each month of the most recently completed financial year and the first two months of 2018.

	Highest price	Lowest price	Daily Average Volume
January 2017	107.00	104.99	28,524
February 2017	107.00	104.77	26,211
March 2017	108.02	107.00	11,043
April 2017	109.75	106.99	16,368
May 2017	108.95	105.77	15,364
June 2017	109.75	107.54	43,545
July 2017	109.11	107.50	57,650
August 2017	110.02	108.00	23,955
September 2017	111.99	105.75	25,450
October 2017	109.75	105.51	17,619
November 2017	108.00	104.99	22,409
December 2017	109.00	107.83	108,474
January 2018	108.00	103.50	19,545
February 1 to 20, 2018	106.00	102.21	55,154

DIRECTORS AND EXECUTIVE OFFICERS

Directors

The following table sets forth the name, municipality, province or state and country of residence of each director of the Corporation as of the date of this Annual Information Form, his principal occupation, the period during which each has acted as a director and the Common Shares in number and percentage each director holds. Each director is elected or appointed until the next annual meeting of shareholders or until a successor is elected by shareholders, unless the director resigns or his or her office becomes vacant by removal, death or other cause.

Name and Municipality of Residence	Director since	Principal Occupation	Common Shares Beneficially Owned or Controlled or Directed[1]	% of Common Shares
JEAN LA COUTURE[2][3] Montréal, Québec, Canada	2010	President, Huis Clos Ltée, business management consultants and dispute advisors	47,349	0.035%
ROSS J. BEATY[4] Vancouver, British Columbia, Canada	2018	Chairman of Equinox Gold Corp. and Pan American Silver Corp.	9,505,252	7.163%
NATHALIE FRANCISCI[5] Montréal, Québec, Canada	2017	Partner, Governance & Diversity for the firm Odgers Berndtson	Ø	Ø
RICHARD GAGNON[6] Laval, Québec, Canada	2017	Corporate Director	Ø	Ø
DANIEL LAFRANCE[3][7] Kirkland, Québec, Canada	2010	Corporate Director	43,000	0.032%
MICHEL LETELLIER, St-Lambert, Québec, Canada	2002	President and Chief Executive Officer of the Corporation	689,233	0.519%
DALTON MCGUINTY[8][9] Ottawa, Ontario, Canada	2015	Corporate Director Senior Advisor (consultant) for Desire2 Learn	Ø	Ø
MONIQUE MERCIER[9][10] Vancouver, British Columbia, Canada	2015	Executive Vice President, Corporate Affairs, Chief Legal and Governance Officer of TELUS Corporation	7,228	0.005%

(1) The information as to Common Shares beneficially owned, controlled or directed by each director has been furnished by the respective directors individually.
(2) Chairman of the Board of Directors and member of the Audit Committee.
(3) Jean La Couture and Daniel Lafrance were appointed directors of the Corporation on March 29, 2010 upon completion of the strategic combination of the Corporation and Innergex Power Income Fund by way of reverse take-over bid (the "**Arrangement**"). Prior to the Arrangement, they were, since 2003, trustees of Innergex Power Trust, which was a wholly-owned subsidiary of the Fund which was itself a publicly-traded TSX listed issuer.
(4) Ross J. Beaty was appointed to the board of directors on the closing of the Alterra Acquisition on February 6, 2018.
(5) Member of the Human Resources Committee and the Corporate Governance Committee.
(6) Chair of the Human Resources Committee and member of the Audit Committee.
(7) Chair of the Audit Committee and member of the Human Resources Committee.
(8) Member of the Corporate Governance Committee.
(9) As of the date hereof, Nathalie Francisci, Richard Gagnon, Dalton Mcguinty and Monique Mercier respectively hold 2,750, 2,750, 8,505 and 7,785 in deferred shares units ("**DSU**"). The DSU are granted pursuant to the Corporation's Deferred Share Unit Plan which allows the election to receive all or a portion of the directors' fees or the officers' salary in DSU.
(10) Chair of the Corporate Governance Committee.

During the past five years, each of the above directors has held his or her present principal occupation or other management positions with the same firm or with other associated companies or firms, including affiliates and predecessors, indicated beside his or her name, except for Richard Gagnon who was prior to January 2017, President

and Chief Executive Officer of Humania Assurance Inc., Daniel Lafrance who was, prior to August 2013, Senior Vice President Finance and Procurement, Chief Financial Officer and Secretary of Lantic Inc., and Dalton McGuinty who was, prior to (i) September 2015, a Senior Advisor (consultant) to PwC Canada, (ii) February 2013, Premier of the Province of Ontario, member of Parliament until June 2013 and (iii) who has been, since July 2014, a Senior Advisor (consultant) to Desire2 Learn and Ross J. Beaty who was from May 2008 to February 6, 2018, Chairman and director of Alterra Power Corp.

Executive Officers

The following table sets forth the name, municipality, province or state and country of residence of each executive officer, his or her office and principal occupation and the period of service as an executive officer of the Corporation.

Name and Municipality of Residence	Officer since	Office/Principal Occupation
MICHEL LETELLIER, MBA St-Lambert, Québec, Canada	2003	President and Chief Executive Officer
JEAN PERRON, CPA, CA Brossard, Québec, Canada	2003	Chief Financial Officer
JEAN TRUDEL, MBA Montréal, Québec, Canada	2003	Chief Investment Officer
FRANÇOIS HÉBERT Bromont, Québec, Canada	2003	Senior Vice President - Operations and Maintenance
RICHARD BLANCHET, P. Eng., M.Sc. North Vancouver, British Columbia, Canada	2004	Senior Vice President – Development, Western Canada and Latin America
PETER GROVER, Eng. St-Bruno, Québec, Canada	2005	Senior Vice President – Wind and Solar Projects Management
RENAUD DE BATZ DE TRENQUELLÉON, P.Geo., M.Sc., MBA North Vancouver, British Columbia, Canada	2005	Senior Vice President – Hydroelectric Projects Management
MATTHEW KENNEDY, M.Sc., R.P.Bio. Vancouver, British Columbia, Canada	2011	Vice President – Environment
ANNE CLICHE Laval, Québec, Canada	2011	Vice-President – Human Resources
CLAUDE CHARTRAND, P.Eng. B.A.Sc. Vancouver, British Columbia, Canada	2012	Vice President – Engineering
NATHALIE THÉBERGE, LL.B Montréal, Québec, Canada	2010	Vice President - Corporate Legal Affairs and Secretary
YVES BARIBEAULT, Eng., LL.B., MBA Montréal, Québec, Canada	2015	Vice President – Legal Affairs, Operations and Projects

During the past five years, each of the above executive officers has held his present principal occupation or other management positions with the Corporation.

The directors and executive officers of the Corporation as a group beneficially own, directly or indirectly, or exercise control or direction over 11,346,089 Common Shares, representing 8.551% of the Corporation's total issued and outstanding Common Shares as of February 21, 2018.

Bankruptcy, Insolvency, Cease Trade Order and Penalties

As a director of Quebecor Inc., the controlling shareholder of Quebecor World Inc., Jean La Couture was asked to join the Board of Directors of Quebecor World Inc. on December 10, 2007. On January 21, 2008, Quebecor World Inc. filed for protection under the Companies Creditors Arrangement Act in Canada and Chapter 11 of the U.S. Bankruptcy Code. Jean La Couture resigned as Director of Quebecor World Inc. on December 16, 2008. In July 2009, Quebecor World Inc. emerged from Canadian and U.S. bankruptcy proceedings.

To the knowledge of the Corporation, none of the directors and executive officers of the Corporation (a) is, as of the date of this Annual Information Form, nor has been within ten years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of a corporation that (i) was subject to an order issued while such director or executive officer of the Corporation was acting in the capacity of director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after such director or executive officer of the Corporation ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer, (b) is not, as of the date of this Annual Information Form, nor has been within ten years before the date of this Annual Information Form, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) has, within ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director or executive officer of the Corporation.

For the purposes of the paragraph above, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

CONFLICTS OF INTEREST

There are no existing or potential material conflicts of interest between the Corporation or any of its subsidiaries and their respective directors and officers. Certain of the Corporation’s directors and officers also serve as directors or officers of other corporations. Such associations may give rise to conflicts of interest from time to time. Management of the Corporation and the Board of Directors will address any such conflict of interest which may arise in the future in accordance with reasonable expectations and objectives of the Corporation and will act in accordance with any duty of care and any duty to act in good faith owed to the Corporation.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Neither the Corporation nor its properties is, nor was during the year ended December 31, 2017, subject to any legal proceedings that would have a material adverse effect on it. To the Corporation’s knowledge, no such legal proceedings involving the Corporation or its property are contemplated.

On January 14, 2014, Harrison Hydro Project Inc., Fire Creek Project Limited Partnership, Lamont Creek Project Limited Partnership, Stokke Creek Project Limited Partnership, Tipella Creek Project Limited Partnership and Upper Stave Project Limited Partnership (the “**Appellants**”) filed appeals with the Environmental Appeal Board challenging a determination by the Comptroller of the Water Rights respecting the water rental rates to be charged under the Water Act R.S.B.C. 1996, c. 483 in respect of the Fire Creek Facility, Lamont Creek Facility, Stokke Creek Facility, Tipella Creek Facility and Upper Stave River Facility. On December 8, 2015, the Environmental Appeal Board issued its decision rejecting the appeal. On January 20, 2016, an application for judicial review was filed to the British Columbia Supreme Court ("BCSC"). On February 27, 2017, the BCSC declined to set aside the decision of the Environmental Appeal Board. On March 21, 2017, the Appellants filed an appeal of the BCSC decision and on February 8, 2018, in a split decision, the British Columbia Court of Appeal refused to set aside the BCSC decision. The Appellants are currently analysing the possibility of filing a petition for permission to appeal to the Supreme Court of Canada. The outcome of the judicial review could affect the expenses of these entities on an annual basis going forward which would represent an approximately $1.6 million aggregate increase for water rights. The amount for such potential increase water rights rentals was included in the years 2013, 2014, 2015 and 2016 results of the Corporation, which owns a 50.0024% indirect interest in those facilities.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of any category of shares of the Corporation or known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction within the last three years or during the current financial year or in any proposed transaction, that has materially affected or will materially affect the Corporation.

However, on October 30, 2017, the Corporation announced the agreement to enter into a 5-year $150 Million subordinated unsecured term loan agreement with la Caisse. This loan agreement was negotiated with la Caisse to finance the capital portion of the Alterra Acquisition negotiated at arms length with la Caisse and closed on February 6, 2018. At such date, with the dilution of the Alterra Acquisition, la Caisse's ownership of the Common Shares of the Corporation fell below 10%. On March 17, 2015, Upper Lillooet River Power Limited Partnership and Boulder Creek Power Limited Partnership, which are affiliates of the Corporation, closed a $491.6 million non-recourse construction and term financing for the Upper Lillooet River and Boulder Creek Projects and on June 22, 2015, Big Silver Creek LP, which is an affiliate of the Corporation, closed a $197.2 million non-recourse construction and term financing for the Big Silver Creek Facility. These financings were arranged through competitive selection process by the Manufacturers Life Insurance Company, as agent, *inter alia*, with syndicates of lenders which included la Caisse.

As of the closing of the Acquisition of Alterra, the following transactions had occurred: (i) in 2011, Ross J. Beaty entered into a revolving credit facility with Alterra (the "**Credit Facility**"). The Credit Facility has a borrowing capacity amount of C$20.0 million and makes funds available to Alterra on a revolving basis at an interest rate of 8% per annum, compounded and payable monthly. In addition, a standby fee in the amount of 0.75% of the Credit Facility, and a drawdown fee in the amount of 1.5% of amounts advanced, are payable in cash. The Credit Facility matures on March 31, 2018. As at February 16, 2018, Alterra had borrowed C$17.3 million under the Credit Facility; and (ii) in October 2016, Ross J. Beaty loaned through a five-year term bond US$35.7 million to Alterra's subsidiary Magma Energy Sweden A.B (the "**Bond**"). The Bond pays interest at 8.5% per annum with an upfront fee of 2% of the principal which was paid at closing of the financing. The Bond is collateralized by 15% of the outstanding shares in HS Orka.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Corporation is Computershare Investor Services Inc., for the Common Shares, the Series A Shares, the Series B Shares and the Series C Shares and Computershare Trust Company of Canada for the 4.25% Convertible Debentures at their offices in Toronto and Montréal.

MATERIAL CONTRACTS

During financial year 2015, the Corporation entered into the following material contracts in connection with the 4.25% Convertible Debentures Offering:

- 4.25% Convertible Debentures Indenture; and
- 4.25% Convertible Debentures Underwriting Agreement.

During financial year 2016, the Corporation entered into the following material contracts:

- A Subscription Agreement;
- Amendment No. 1 to the Subscription Agreement.

During financial year 2017, the Corporation entered into the following material contract:

- Arrangement Agreement;
- Fifth Amended and Restated Credit Agreement.

All of these material contracts are available on SEDAR at sedar.com

INTEREST OF EXPERTS

Deloitte LLP is the independent auditor of the Corporation and has advised that it is independent with respect to the Corporation within the meaning of the Code of ethics of the *Ordre des comptables professionnels agréés du Québec.*

AUDIT COMMITTEE DISCLOSURE

The Audit Committee is composed entirely of directors who meet the independence and experience requirements of *Regulation 52-110 Respecting Audit Committees* adopted under the *Securities Act* (Québec). Daniel Lafrance is Chair of the Audit Committee and Jean La Couture and Richard Gagnon are its other current members. Each of them is independent and financially literate within the meaning of *Regulation 52-110 Respecting Audit Committees*. The charter of the Audit Committee is attached hereto as Schedule B.

In addition to being operationally literate (having substantial experience in the execution of day to day business decisions and strategic business objectives acquired as a result of meaningful past experience with a broad responsibility for operations), the members of the Board of Directors who serve on the Corporation's Audit Committee must be financially literate in the sense of having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally compared to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements, and otherwise in keeping with applicable governance standards under applicable securities laws and regulations. All members of the Audit Committee are operationally as well as financially literate.

The education and related experience of each of the members of Audit Committee is described below.

Jean La Couture - Jean La Couture is President of Huis Clos Ltd., a management and mediation firm. He is a Fellow of the *Ordre des Comptables professionnels agréés du Québec* and member of the *Ordre des Comptables professionnels agréés du Québec* since 1967. Jean La Couture headed Le Groupe Mallette (an accounting firm) before becoming President and Chief Executive Officer of The Guarantee Company of North America. In 1995, Jean La Couture founded Huis Clos Ltd., which specializes in management and mediation as well as in civil and commercial negotiations. He is Chairman of the Board of Groupe Pomerleau and director and Chairman of the Audit Committee of Québecor Inc., a reporting issuer. He is also a director at la Caisse de dépôt et de placement du Québec.

Daniel Lafrance (Chair) - Daniel Lafrance has acted as a corporate director as his principal occupation since August 2013. From February 1992 to August 2013, he was Senior Vice-President Finance and Procurement, Chief Financial Officer and Secretary of Lantic Inc., wholly owned by Rogers Sugar Inc., a reporting issuer. Holding a bachelor's degree in business (1976) and a specialty in accounting (1977) from the University of Ottawa, Daniel Lafrance is also a member of the Institute of Chartered Accountants of Ontario since 1980. He currently acts as a director and Chair of the Audit Committee of Rogers Sugar Inc., a reporting issuer and of its wholly owned subsidiary Lantic Inc.

Richard Gagnon – Richard Gagnon has acted as a corporate director as his principal occupation since January 2017. From November 2003 to January 2017, he was President and Chief Executive Officer of Humania Assurance Inc. (a Canadian health insurance company). Holding a Bachelor of Arts: administration, communication and law (1979), he is also a "Fellow Administrateur Agréé" since 1996. Richard Gagnon currently acts as a director of The Professionals Financial and of the l'Ordre des Ingénieurs du Québec.

The aggregate fees paid, including the Corporation's pro rata share of the fees paid by its joint ventures, for professional services rendered by Deloitte LLP and its affiliates for the year ended December 31, 2017 and for the year ended December 31, 2016, are presented below.

Fees	Financial Year Ended December 31, 2017	Financial Year Ended December 31, 2016
Audit fees	$670,875	$631,100
Audit-related fees	$90,700	Ø
Tax fees	Ø	$61,999
All other fees	Ø	Ø
Total fees(1):	**$761,575**	**$693,099**

(1) The aggregate fees paid to Deloitte LLP, irrespective of the Corporation's proportionate interest in its joint ventures, totalled $761,575 in 2017 and $693,099 in 2016.

In the above table, the terms in the column "**Fees**" have the following meanings: "**Audit fees**" refer to all fees for professional services rendered for the audit of the annual financial statements. They also comprise fees for audit services provided in connection with other statutory and regulatory filings, such as the audit of the financial statements of the subsidiaries of the Corporation, as applicable, as well as services that generally only the Corporation's, auditors can provide, such as comfort letters, consents and assistance with and review of documents filed with the securities commissions; "**Audit-related fees**" refer to the fees for due diligence related to potential mergers and acquisitions and are not reported under "Audit fees"; "**Tax fees**" refer to the aggregate fees for income, consumption and other tax compliance, advice and planning services relating to domestic and international taxation; and "**All other fees**" refer to the aggregate fees billed for products and services provided by the Corporation's external auditor, other than "Audit fees", "Audit-related fees" and "Tax fees".

Once a year, the Audit Committee performs an assessment and comprehensive review of the external auditors and communicates the results of such annual assessment to the Board of directors

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans is contained in the Corporation's information circular prepared in connection with the Corporation's most recent annual shareholders' meeting and is available on SEDAR at sedar.com.

Additional financial information on the Corporation is provided in its audited financial statements and its management's discussion and analysis of financial condition and results of operations for the most recently completed financial year which are available on SEDAR at sedar.com .

All requests for the above-mentioned documents must be addressed to the Secretary of Innergex Renewable Energy Inc. at 1225 Saint-Charles Street West, 10th Floor, Longueuil, Québec, J4K 0B9 or by email at legal@innergex.com or by fax at 450-928-2544.

GLOSSARY OF TERMS

"**4.25% Convertible Debentures**" has the meaning attributed under "Description of Capital Structure – 4.25% Convertible Debentures";

"**4.25% Convertible Debentures Offering**" has the meaning attributed under "Description of Capital Structure – 4.25% Convertible Debentures";

"**4.25% Convertible Debentures Indenture**" has the meaning attributed under "Description of Capital Structure – 4.25% Convertible Debentures";

"**4.25% Convertible Debentures Underwriting Agreement**" has the meaning attributed under "General Development of the Business – Three Year Summary – Financial Year 2015";

"**5.75% Convertible Debentures**" has the meaning attributed under "General Development of the Business – Three Year Summary – Financial Year 2015";

"**Alterra**" means Alterra Power Corp;

"**Alterra Acquisition**" has the meaning attributed under "Recent Developments";

"**Antoigné Wind Farm**" means the 8 MW wind farm located in Maine-et-Loire, France;

"**Arrangement**" means the definitive arrangement agreement entered on January 31, 2010 between the Corporation and the Fund to undertake a strategic combination of the two entities whereby the Fund acquired the Corporation by way of a reverse take-over, thereby effecting at the same time the conversion of the Fund to a corporation;

"**Arrangement Agreement**" means the Arrangement Agreement between the Corporation and Alterra where the Corporation acquired all of the issued and outstanding shares of Alterra;

"**Ashlu Creek Facility**" means the 49.9 MW hydroelectric power facility located on Ashlu Creek in British Columbia;

"**Batawa Facility**" means the 5 MW hydroelectric power generating facility located on the Trent-Severn Waterway near Trenton, Province of Ontario;

"**BayWa**" means BayWa r.e.;

"**BC**" means the Province of British Columbia;

"**BC Hydro**" means British Columbia Hydro and Power Authority;

"**Beaumont Wind Farm**" means the 25 MW wind farm located in Berlise and Le Thuel, Aisne, France;

"**Big Silver Creek Facility**" means the 40.6 MW hydroelectric facility located approximately 40 km north of Harrison Hot Springs in British Columbia;

"**Big Silver Creek LP**" means Big Silver Creek Limited Partnership;

"**Bois d'Anchat Wind Farm**" means the 10 MW wind farm located in Beauce-la-Romaine (previous name Ouzouer-le-Marché), Loir-et-Cher, France;

"**Boulder Creek LP**" means Boulder Creek Power Limited Partnership;

"**Boulder Creek Facility**" means the 25.3 MW hydroelectric power generating facility located 56 km northwest of Pemberton, British Columbia;

"**Brown Lake Facility**" means the 7.2 MW hydroelectric power generating facility located on the Ecstall River, near Prince Rupert, British Columbia;

"**Brúarvirkjun Project**" means the 10 MW hydroelectric power project located in Iceland;

"**Carleton Wind Farm**" means the 109.5 MW wind farm located in the Town of Carleton-Sur-Mer and the Regional County Municipality of Bonaventure, Québec;

"**CfD Contract**" has the meaning attributed under "Renewable Power In Some Other Markets";

"**CFE**" means the Comisión Federal de Electricidad or Federal Electricity Commission, a productive government enterprise in Mexico that produces and distributes electricity for more than 38.5 million customers representing 120 million Mexicans;

"**Chaudière Facility**" means the 24 MW hydroelectric power generating facility located on the Chaudière River near Lévis, Province of Québec;

"**CHI**" has the meaning attributed thereto under "Description of the Business and Assets of the Corporation - Operating Facilities - Operating Hydroelectric Facilities - Operating Facilities located in British Columbia";

"**Cholletz Wind Farm**" means the 11.8 MW wind farm located in Conchy-les-Pots, Oise, France;

"**COD**" means commercial operation date in respect of a project in accordance with its PPA;

"**Common Shares"** has the meaning attributed thereto under "Corporate Structure";

"**Conversion Price**" has the meaning attributed under "Three-Year Summary – Financial Year 2015";

"**Corporation**" means Innergex Renewable Energy Inc. and includes its subsidiaries, unless the context requires otherwise;

"**CPI**" means the consumer price index for Canada;

"**Credit Ratings**" has the meaning attributed thereto under sub-section "Credit rating may not reflect actual performance of the Corporation or a lowering of (downgrade) the credit rating may occur" under "Risk Factors";

"**Current Market Price**" has the meaning attributed thereto under "Description of Capital Structure - 4.25% Convertible Debentures";

"**DFN**" means the Douglas First Nation band;

"**Desjardins**" has the meaning attributed thereto under "General Development of the Business – Three-Year Summary – Financial Year 2016";

"**Development Projects**" has the meaning attributed thereto under "Description of the Business and Assets of the Corporation - Portfolio of Assets";

"**Dokie 1 Facility**" means the 144 MW hydroelectric power generating facility located in British Columbia;

"**Douglas Creek Facility**" means the 27 MW hydroelectric power generating facility located nearby the confluence of Douglas Creek with Little Harrison Lake in British Columbia;

"**ecoENERGY Initiative**" means an initiative from the Federal Government for renewable energy providing for an incentive payment of $10 per MWh for its first ten years of operations;

"**Fire Creek Facility**" means the 23 MW hydroelectric power project located nearby the confluence of Fire Creek with State River in British Columbia;

"**Fitzsimmons Creek Facility**" means the 7.5 MW hydroelectric power facility located on Fitzsimmons Creek in the resort municipality of Whistler in British Columbia;

"**Flat Top Project**" means the 200 MW wind farm project located in the United States;

"**Glen Miller Facility**" means the 8 MW hydroelectric power facility located on the Trent River in Trenton, Ontario;

"**Gros-Morne Wind Farm**" means the 211.5 MW wind power facility located in the Municipalities of Mont-Louis and Sainte-Madeleine-de-la-Rivière-Madeleine, Québec;

"**Harrison Operating Facilities**" means the six run-of-river hydroelectric facilities having a combined installed gross capacity of 150 MW, namely the Douglas Creek Facility, the Fire Creek Facility, the Stokke Creek Facility, the Tipella Creek Facility, the Upper Stave River Facility and the Lamont Creek Facility;

"**HHLP**" means Harrison Hydro Limited Partnership;

"**Horseshoe Bend Facility**" means the 9.5 MW hydroelectric power generating facility located on the Payette River, in the State of Idaho in the United States;

"**km**" means kilometer;

"**Kokomo Solar Farm**" means a 6 MW solar farm located in the United States;

"**Kwoiek Creek Facility**" means the 49.9 MW hydroelectric power project located on Kwoiek Creek in British Columbia;

"**Lamont Creek Facility**" means the 27 MW hydroelectric power project located near Harrison Lake in south-western British Columbia on Lamont Creek;

"**Les Renardières Wind Farm**" means the 21 MW wind farm located in France;

"**Longueval Wind Farm**" means the 10 MW wind farm located in Son and Ecly, Ardennes, France;

"**Magpie Facility**" means the 40.6 MW hydroelectric power generating station located on the Magpie River, in the municipality of Rivière-Saint-Jean and approximately 150 km east of Sept-Îles, Québec;

"**Maturity Date**" has the meaning attributed under "Description of Capital Structure – 4.25% Convertible Debentures";

"**Mesgi'g Ugju's'n (MU) Wind Farm**" means the 150 MW wind farm located in the Gaspé Peninsula, in Québec;

"**Mesgi'g Ugju's'n (MU) LP**" means Mesgi'g Ugju's'n (MU) Wind Farm, L.P.;

"**Miller Creek Facility**" means the 33 MW hydroelectric power generating facility located on Miller Creek, near Pemberton, British Columbia, approximately 30 km northeast of the Resort Municipality of Whistler, British Columbia;

"**Montjean Wind Farm**" means the 12 MW wind farm located in Nouvelle-Aquitaine, France;

"**Montagne Sèche Wind Farm**" means the 58.5 MW wind power facility located in the Municipality of the Canton of Cloridorme, Québec;

"**Montmagny Facility**" means the 2.1 MW hydroelectric power generating facility located on Rivière du Sud in the City of Montmagny, Québec;

"**MW**" means one million watts or one megawatt;

"**MWh**" means one million watts per hour or one megawatt per hour;

"**Northwest Stave River Facility**" means the 17.5 MW hydroelectric power project located approximately 35 km north of Mission, British Columbia;

"**OPA**" means Ontario Power Authority;

"**Operating Facilities**" has the meaning attributed thereto under "Description of the Business and Assets of the Corporation - Portfolio of Assets";

"**Plan Fleury Wind Farm**" means the 22 MW wind farm located in France;

"**Porcien Wind Farm**" means the 10 MW wind farm located in Château-Porcien and Saint Fergueux, Ardennes, France;

"**Portneuf Facilities**" means the three Portneuf Facilities namely, Portneuf – 1 of 8 MW, Portneuf – 2 of 9.9 MW and Portneuf – 3 of 8 MW located the Portneuf River in Sainte-Anne-de-Portneuf and Saint-Paul-du-Nord-Sault-au-Mouton within the Seigneurie des Milles-Vaches, Province of Québec;

"**PPA**" means a power purchase agreement, an electricity supply agreement, an electricity purchase agreement or a renewable energy supply contract;

"**Preferred Shares**" has the meaning attributed thereto under "Corporate Structure";

"**Prospective Projects**" has the meaning attributed thereto under "Description of the Business and Assets of the Corporation - Portfolio of Assets";

"**Request for Proposals**" or "**RFP**" means a request for proposals issued by a provincial government or an entity created by such government for such purpose;

"**Reyjanes (1&2) Geothermal Power Facility**" means a 100 MW geothermal power facility located in Iceland;

"**Rougemont-1 Wind Farm**" means the 36.1 MW wind farm located in France;

"**Rougemont-2 Wind Farm**" means the 44.5 MW wind farm located in France;

"**RPS**" has the meaning attributed thereto under "Industry Overview and Market Trends - Renewable Power in Canada";

"**Rutherford Creek Facility**" means the 49.9 MW hydroelectric facility located near Pemberton, British Columbia;

"**S&P**" means Standard & Poor's;

"**Saint-Paulin Facility**" means the 8 MW hydroelectric power-generating facility located in the Municipality of Saint-Paulin, Province of Québec;

"**Seller**" means wpd europe GmbH a German company and seller of the Wpd Projects;

"**Series A Shares**" has the meaning attributed thereto under "Corporate Structure";

"**Series B Shares**" has the meaning attributed thereto under "Corporate Structure";

"**Series C Shares**" has the meaning attributed thereto under "Corporate Structure".

"**Seven French Entities**" has the meaning attributed thereto under "General Development of the Business – Three-Year Summary – Financial Year 2016";

"**Shannon Wind Farm**" means the 204 MW wind farm located in the United States;

"**SM-1 Facility**" means the 30.5 MW hydroelectric power generating station located on private land near the town of Sept-Îles, Québec.

"**Spartan Solar Farm**" means a 11 MW solar farm located in the United States;

"**Standing Offer Program**" or "**SOP**" means a program or mechanism, established by a provincial government or an entity created by such government for such purpose, through which a standard and simplified contracting process and contractual terms are provided for independent power producers to enter into PPAs for relatively small renewable electricity generating projects;

"**Stardale Solar Farm**" means a 33.2 MW_{DC} (27 MW_{DC}) solar farm located in East Hawkesbury, in Ontario;

"**Stokke Creek Facility**" means the 22 MW hydroelectric power project located near Harrison Lake in south-western British Columbia on Stokke Creek;

"**Svartsengi Geothermal Power Facility**" means a 74 MW geothermal power facility located in Iceland;

"**Theil Rabier Wind Farm**" means the 12 MW wind farm located in Nouvelle-Aquitaine, France;

"**Tipella Creek Facility**" means the 18 MW hydroelectric power project located near Harrison Lake in south-western British Columbia on Tipella Creek;

"**Tretheway Creek LP**" means Tretheway Creek Hydro Limited Partnership;

"**Tretheway Creek Facility**' means the 21.2 MW hydroelectric facility located approximately 50 km north of Harrison Hot Springs in British Columbia;

"**TSX**" means the Toronto Stock Exchange;

"**TWh**" means 1,000 gigawatts per hour or one million megawatts per hour;

"**Umbata Falls Facility**" means the 23 MW Umbata Falls hydroelectric power facility located on the White River in Ontario;

"**Upper Lillooet LP**" means Upper Lillooet River Power Limited Partnership;

"**Upper Lillooet River Facility**" means the 81.4 MW hydroelectric power generating facility located on Lillooet River northwest of Pemberton, British Columbia;

"**Upper Stave River Facility**" means the 33 MW hydroelectric power generating facility located near Harrison Lake in south-western British Columbia on Stave River;

"**Vaite Wind Farm**" means the 38.9 MW wind farm located in France;

"**Vallottes Wind Farm**" means the 12 MW wind farm located in Bovée-sur-Barboure and Broussey-en-Blois, Meuse, France;

"**Viger-Denonville Wind Farm**" means the 24.6 MW wind power facility located in the Municipalities of Saint-Paul-de-la-Croix and Saint-Épiphane, Québec;

"**Walden Facility**" means a 16 MW facility located on private land in Cayoosh Creek near Lillooet, British Columbia;

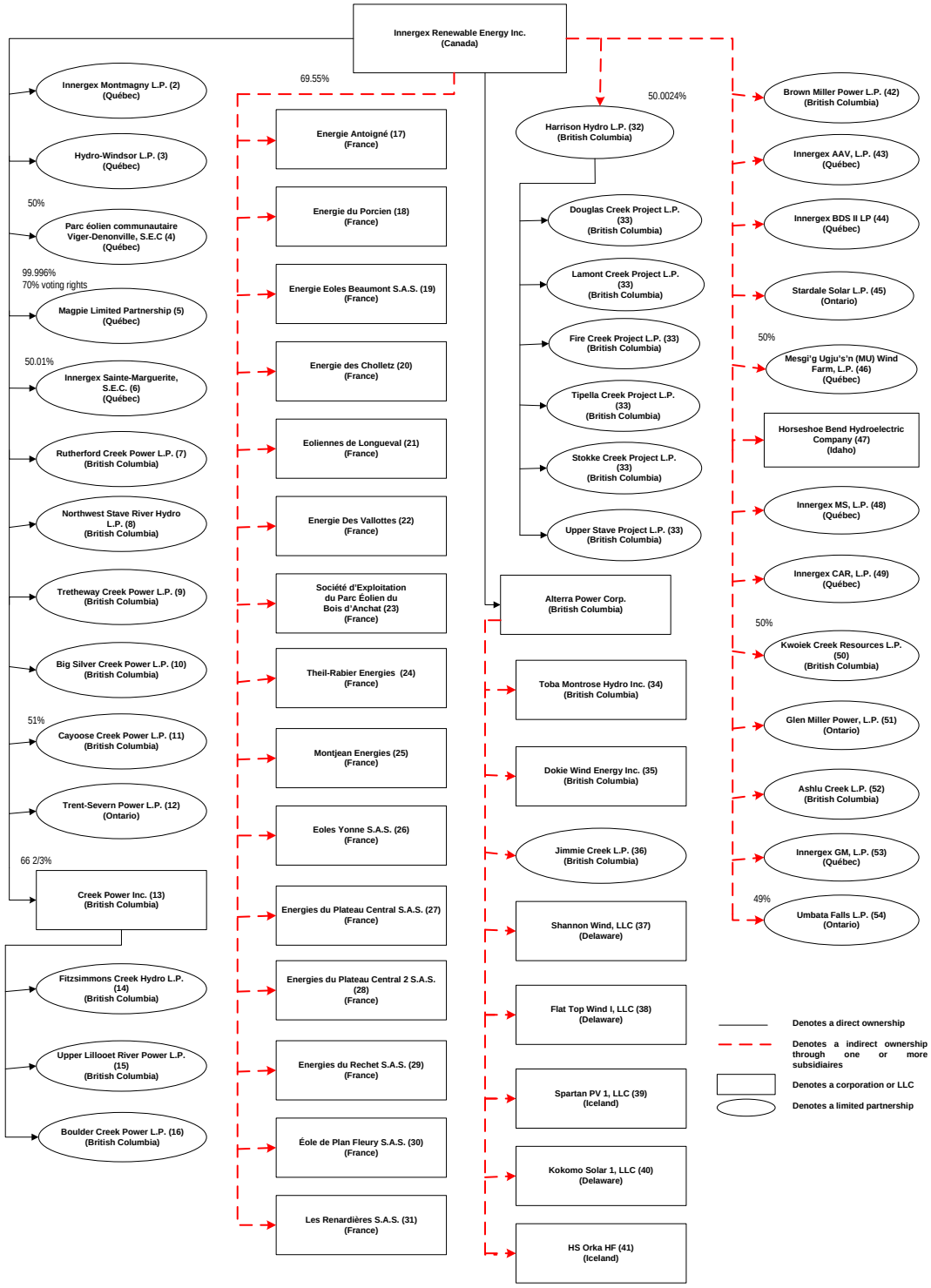
"**Windsor Facility**" means the 5.5 MW hydroelectric power generating facility located on the St-François River, near Windsor, Province of Québec;

"**Yonne Wind Farm**" means the 44 MW wind farm located in the region of Bourgogne in France.

SCHEDULE A

CORPORATE STRUCTURE

The following chart outlines the corporate structure of the Corporation and its material subsidiaries [(1)] as well as certain other material ownership interests held by the Corporation as at the date of this Annual Information Form.



(1) Unless otherwise indicated, the Corporation has a 100% direct or indirect interest in the entity. The Corporation has a 100% direct or indirect interest in the general partners of the limited partnership unless described otherwise in the following notes.

(2) Innergex Montmagny, L.P. owns the Montmagny Facility.

(3) Hydro-Windsor, L.P. owns the Windsor Facility.

(4) Parc éolien communautaire Viger-Denonville, S.E.C. owns the Viger-Denonville Wind Farm and its general partner is Parc éolien communautaire Viger-Denonville Inc., which is 50% owned by Innergex Inc.

(5) Magpie Limited Partnership owns the Magpie Facility.

(6) Innergex Sainte-Marguerite, S.E.C. owns the SM-1 Facility.

(7) Rutherford Creek Power L.P. owns the Rutherford Creek Facility.

(8) Northwest Stave River Hydro Limited Partnership owns the Northwest Stave Facility.

(9) Tretheway Creek Power Limited Partnership owns the Tretheway Creek Facility.

(10) Big Silver Creek Power Limited Partnership owns the Big Silver Creek Facility.

(11) Cayoose Creek Power L.P. owns the Walden Facility and its general partner is Cayoose Creek Power Inc., which is 80% owned by the Corporation.

(12) Trent-Severn Power, LP owns the Batawa Facility.

(13) The Corporation holds 66.7% of all issued and outstanding common shares of Creek Power Inc. and 100% of all the issued and outstanding Series 1 preferred shares of Creek Power Inc.

(14) Fitzsimmons Creek Hydro LP owns the Fitzsimmons Creek Facility.

(15) Upper Lillooet River Power Limited Partnership owns the Upper Lillooet River Project.

(16) Boulder Creek Power Limited Partnership owns the Boulder Creek Project.

(17) The Corporation owns 69.55% of Energie Antoigné which owns the Antoigné Wind Farm.

(18) The Corporation owns 69.55% of Energie du Porcien which owns the Porcien Wind Farm.

(19) The Corporation owns 69.55% of Energie Eoles Beaumont S.A.S. which owns the Beaumont Wind Farm.

(20) The Corporation owns 69.55% of Energie des Cholletz which owns the Cholletz Wind Farm.

(21) The Corporation owns 69.55% of Eoliennes de Longueval which owns the Longueval Wind Farm.

(22) The Corporation owns 69.55% of Energie des Vallottes which owns the Vallottes Wind Farm.

(23) The Corporation owns 69.55% of Société d'Exploitation du Parc Éolien du Bois d'Anchat which owns the Bois d'Anchat Wind Farm.

(24) The Corporation owns 69.55% of Theil-Rabier Energies which owns the Theil-Rabier Wind Farm.

(25) The Corporation owns 69.55% of Montjean Energies which owns the Montjean Wind Farm.

(26) The Corporation owns 69.55% of Éoles Yonne S.A.S. which owns the Yonne Wind Farm.

(27) The Corporation owns 69.55% of Energies du Plateau Central S.A.S. which owns the Rougemont-1 Wind Farm.

(28) The Corporation owns 69.55% of Energies du Plateau Central 2 S.A.S. which owns the Rougemont-2 Wind Farm.

(29) The Corporation owns 69.55% of Energies du Rechet S.A.S. which owns the Vaite Wind Farm.

(30) The Corporation owns 69.55% of Éoles de plan Fleury S.A.S. which owns the Plan Fleury Wind Farm.

(31) The Corporation owns 69.55% of Les Renardières S.A.S. which owns the Les Renardières Wind Farm.

(32) Harrison Hydro Limited Partnership owns the limited partnership units of each of the 6 Harrison Operating Facilities. The general partner of Harrison Hydro Limited Partnership is Harrison Hydro Inc., wholly-owned by Cloudworks Holdings Inc., which is 50% owned by the Corporation.

(33) The 6 Harrison Operating Facilities consisting of Douglas Creek Project Limited Partnership, Fire Creek Project Limited Partnership, Lamont Creek Project Limited Partnership, Stokke Creek Project Limited Partnership, Tipella Creek Project Limited Partnership and Upper Stave Project Limited Partnership own their respective projects and their general partner is Harrison Hydro Project Inc., which is wholly-owned subsidiary of Harrison Hydro Limited Partnership.

(34) Toba Montrose Hydro Inc. owns 100% of the East Toba and the Montrose Creek Hydroelectric Facilities, which is 40% owned by the Corporation.

(35) Dokie Wind Energy Inc. owns 100% of the Dokie 1 Wind Farm, which is 25.5% owned by the Corporation.

(36) Jimme Creek Limited Partnership owns 100% of the Jimme Creek Hydroelectric Facility, which is 51% owned by the Corporation.

(37) Shannon Wind, LLC owns 100% of the Shannon Wind Farm, which the Corporation owns a 50% sponsor equity interest.

(38) Flat Top Wind I, LLC owns 100% of the Flat Top Wind Project, which the Corporation owns a 51% sponsor equity interest.

(39) Spartan PV 1, LLC owns 100% of the Spartan Solar Farm, which the Corporation owns a 100% sponsor equity interest.

(40) Kokomo Solar 1, LLC owns 100% of the Kokomo Solar Farm, which the Corporation owns a 90% sponsor equity interest.

(41) HS Orka HF owns 100% of the Reyjanes(1&2) and Svartsengi Geothermal Power Facilities and Brúarvirkjun Project, which is 53.9% owned by the Corporation.

(42) Brown Miller Power Limited Partnership owns the Brown Lake and the Miller Creek Facilities.

(43) Innergex AAV, L.P. owns a 38% undivided co-ownership interest in the L'Anse-à-Valleau Wind Farm.

(44) Innergex BDS II LP owns a 38% undivided co-ownership interest in the Baie-des-Sables Facility.

(45) Stardale Solar LP owns the Stardale Solar Farm.

(46) Mesgi'g Ugju's'n (MU) Wind Farm, L.P., owns the Mesgi'g Ugju's'n (MU) Wind Farm and its general partner is Mesgi'g Ugju's'n (MU) Wind Farm Inc., which is 50% owned by Innergex.

(47) Innergex USA, Inc. owns a 100% of the Horseshoe Bend Hydroelectric Facility.

(48) Innergex MS, L.P. owns a 38% undivided co-ownership interest in the Montagne Sèche Wind Farm.

(49) Innergex CAR, L.P. owns a 38% undivided co-ownership interest in the Carleton Wind Farm.

(50) Kwoiek Creek Resources L.P. owns the Kwoiek Creek Facility and its general partner is Kwoiek Creek Resources GP Inc., which is 50% owned by Innergex.

(51) Glen Miller Power, LP owns Glen Miller Facility.

(52) Ashlu Creek Investments L.P. owns the Ashlu Creek Facility.

(53) Innergex GM, L.P. owns a 38% undivided co-ownership interest in the Gros-Morne Facilities.

(54) Umbata Falls L.P. owns the Umbata Falls Facility and its general partner is Begetekong Power Corporation, which is 49% owned by Innergex.

SCHEDULE B

CHARTER OF THE AUDIT COMMITTEE

This Charter prescribes the role of the Audit Committee of the Board (the "Committee") of Innergex Renewable Energy Inc. (the "**Corporation**"). This Charter is subject to the provisions of the Corporation's Articles and By-Laws and to applicable laws.

1. Role

In addition to the powers and authorities conferred upon the Directors in the Corporation's Articles and By-Laws and as prescribed by applicable laws, the mandate of the Committee is to oversee the:

A. *Compliance of the Corporation with respect to applicable governmental and authorities' legislation and regulation pertaining to financial information disclosure;*

B. *Adequacy of the accounting principles and decisions regarding the presentation of financial statements, in accordance with generally accepted accounting principles;*

C. *Fair presentation of the Corporation's financial situation in its quarterly and annual financial statements;*

D. *Timely disclosure of relevant information to shareholders and to the general public; and*

E. *Implementation of efficient internal controls for all of the Corporation's transactions and review of such controls on a regular basis.*

2. Composition

2.1 *Number and criteria*

The Committee must be constituted as required under Regulation 52-110 – Respecting Audit Committees, as it may be amended from time to time ("**Regulation 52 110**"). The Committee is comprised only of members who are qualified as independent (as that term is defined in Regulation 52-110) and are financially literate (which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements).

The Committee shall consist of at least three members.

2.2 *Selection and Chair*

The members of the Committee and its Chair shall be appointed by the Board on an annual basis after the shareholders' annual meeting at which the directors are elected, or until their successors are duly appointed. The Chair shall designate from time to time a person who may, but not necessarily, be a member of the Committee to act as secretary.

Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee Membership.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director of the Corporation. The Board may fill vacancies on the Committee by appointing from among the Board. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all of its powers so long as a quorum remains.

2.3 *Remuneration*

Members of the Committee and its Chair shall receive such remuneration for their services as the Board may determine from time to time.

3. Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances require.

Quorum for the transaction of business at any meeting of the Committee shall be a majority of members of the Committee or such greater number as the Committee shall determine by resolution.

Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon reasonable notice to each of its members, which shall not be less than 48 hours. The notice period may be waived by all members of the Committee.

The Committee shall determine any desired agenda items.

The Committee should record minutes of its meetings and the Chair shall report to the whole Board on a timely basis.

The Chair may ask members of Management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and the external auditor of the Corporation and others as they consider appropriate.

In order to foster open communication, the Committee or its Chair shall meet at least quarterly with Management, the external auditor and the internal auditor, in separate sessions, to discuss any matters that the Committee or each of these groups believes should be discussed privately. In addition, the Committee or its Chair should meet with Management quarterly in connection with the Corporation's quarterly financial statements.

4. Responsibilities

Without limiting the generality of its role as described in section 1 above, the Committee shall, inter alia:

4.1 Relationship with external auditor

- Recommend to the Board the appointment and compensation of the external auditor;
- Review the scope and plans of the external auditor's audit and reviews. The Committee may authorize the external auditor to perform supplemental reviews or audits as the Committee may deem desirable;
- Oversee the work of the external auditor, including the resolution of any issues between the external auditor and Management;
- Pre-approving all non-audit services (or delegating such pre-approval if and to the extent permitted by law) to be provided to the Corporation or its subsidiaries by the external auditor;
- Review and discuss, on an annual basis, with the external auditor all significant relationships they have with the Corporation to assess their independence;
- Review the performance of the external auditor and any proposed discharge of the external auditor when circumstances warrant;
- Periodically consult with the external auditor without Management about significant risks or exposures, internal controls and other steps that Management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper;
- Arrange for the external auditor to be available to the Committee and the Board as needed; and
- Consider the external auditor's judgment about the quality, transparency, appropriateness and not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices.

4.2 Financial information and public disclosure

- Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related to third party transactions;
- Consider any proposed major changes to the Corporation's accounting principles and practices;
- If considered appropriate, establish separate systems of reporting to the Committee by the Management and the external auditor;
- Review and recommend the approval of the annual and quarterly financial statements, related management discussion and analysis, annual and interim earnings press releases and Annual Information Form before such information is publicly disclosed;
- Oversee the implementation of adequate procedures for the review of the Corporation's public disclosure of financial information, other than those described in the above paragraph, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures;
- Review the public disclosure regarding the Committee required by Regulation 52 110;

- Review the integrity of the financial reporting processes, both internal and external, in consultation with the external and the internal auditors;
- Periodically meet with the internal auditor;
- Following completion of the annual audit and, if applicable, quarterly reviews, review separately with the Management, the internal auditor and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the internal auditor and the external auditor received during the course of the audit and, if applicable, reviews; and
- Review with the external auditor, the internal auditor and Management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.

4.3 Other matters

- Establish procedures for (i) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters, and (ii) the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- Review and approving the Corporation's hiring policies regarding current or former partners or employees of the current and former auditors of the Corporation or its subsidiaries;
- Review activities, organizational structure and qualifications of the Chief Financial Officer and the staff in the financial reporting area and see to it that matters related to succession planning are raised for consideration by the Board; and
- Review Management's program of risk assessment and steps taken to address significant risks or exposures of all types, including insurance coverage and tax compliance and, in particular, assess the Corporation's financial risks and supervise Management's program to address such risks.

Notwithstanding the foregoing, it is not the duty of the Committee to prepare financial statements, to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with International Financial Reporting Standards, to conduct investigations, or to assure compliance with laws and regulations or the Corporation's internal policies, procedures and controls, as these are the responsibility of Management and in certain cases the external auditor, as the case may be.

5. Advisors

The Committee may hire outside advisors at the expense of the Corporation in order to assist the Committee in the performance of its duties and set and pay the compensation for such advisors.

The Committee is authorized to communicate directly with the external and internal auditors as it sees fit.

If considered appropriate, the Committee is authorized to conduct or authorize investigations into any matters within the Committee's scope of responsibilities, and to perform any other activities as the Committee deems necessary or appropriate.

The Board has determined that any committee who wishes to hire a non-management advisor to assist on matters involving the committee members' responsibilities at the expense of the Corporation, should review the request with, and obtain the authorization of, the Chairman of the Board.

6. Assessment

On an annual basis the Committee shall follow the process established by it (and approved by the Board) for assessing performance and effectiveness of the Committee.

7. Charter review

The Committee should review this Charter on an annual basis and recommend to the Board changes, as considered appropriate from time to time.

8. General

The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation's shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to securityholders of the Corporation or other liability whatsoever.


INNERGEX
Renewable Energy.
Sustainable Development.