



INNERGEX

Renewable Energy.
Sustainable Development.

INNERGEX RENEWABLE ENERGY INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

AND MANAGEMENT INFORMATION CIRCULAR -
SOLICITATION OF PROXIES

April 8, 2015

25 SUSTAINABLE
YEARS by NATURE





Renewable Energy.
Sustainable Development.

April 8, 2015

Dear Shareholders,

It is our pleasure to invite you to the annual meeting of shareholders of Innergex Renewable Energy Inc. to be held at the hotel Hyatt Regency Montréal on May 13, 2015.

During the meeting you will hear about our most recent results, our 2014 performance and our future plans. You will also have the opportunity to meet and converse with the Board of Directors and Management.

This Circular contains important information on how and when to exercise your voting rights as shareholders, the matters to be discussed at the meeting as well as director compensation, director nominations, our approach to executive officer compensation and our governance practices. Please take some time to read this Circular.

We appreciate your confidence in Innergex Renewable Energy Inc. and look forward to welcoming you to the meeting.

Sincerely,



Jean La Couture
Chairman of the Board



Michel Letellier
President and Chief Executive Officer

INNERGEX RENEWABLE ENERGY INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO: Shareholders of Innergex Renewable Energy Inc.

You are invited to attend to the annual meeting (the “**Meeting**”) of the shareholders of Innergex Renewable Energy Inc. (the “**Corporation**”) which will be held on May 13, 2015 at 4:00 p.m. at the hotel Hyatt Regency Montréal, Inspiration Room, 6th Floor, 1255 Jeanne-Mance Street, Montréal, Province of Québec.

During the meeting we will cover the following items:

1. Receiving the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2014, together with the report of the auditor thereon;
2. Electing directors for the ensuing year;
3. Appointing the auditor of the Corporation for the ensuing year and authorizing the directors of the Corporation to fix its remuneration; and
4. Transacting such other business that may properly come before the Meeting or any adjournment thereof.

March 31, 2015 has been chosen as the record date for determining those shareholders of the Corporation entitled to receive notice of and to vote at the Meeting. The accompanying management information circular (the “**Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

In order to ensure representation at the Meeting, registered shareholders must complete the enclosed form of proxy and submit it as soon as possible but not later than 5:00 p.m. (Montréal time) on May 11, 2015 or 48 hours prior to the time of any adjournment or postponement of the Meeting (or such earlier time as required by your nominee) as set out in the accompanying Circular.

Non-registered shareholders or shareholders that hold their shares in the name of a “nominee”, such as a bank, trust company, securities broker or other financial institution, must seek instructions from their nominee as to how to complete their form of proxy and vote their shares. Non-registered shareholders will have received the accompanying Circular in a mailing from their nominee, together with the appropriate form of proxy or voting instruction form. It is important that non-registered shareholders adhere to the voting instructions provided to them by their nominee.

Les actionnaires qui préfèrent recevoir la présente circulaire d'information de la direction en français n'ont qu'à en aviser le secrétaire de la société.

Dated at Longueuil, Québec, this 8th day of April, 2015.

By order of the Board of Directors

INNERGEX RENEWABLE ENERGY INC.

(s) Nathalie Thériberge

Nathalie Thériberge
Vice President – Corporate Legal Affairs
and Secretary

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INNERGEX RENEWABLE ENERGY INC.

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Circular**”) is provided in connection with the solicitation of proxies to be used at the annual meeting of shareholders of Innergex Renewable Energy Inc. (the “**Corporation**”) to be held on May 13, 2015 at 4:00 p.m. at the hotel Hyatt Regency Montréal, Inspiration Room, 6th Floor, 1255 Jeanne-Mance Street, Montréal, Province of Québec, or at any adjournment thereof (the “**Meeting**”) for the purposes set forth in the Corporation’s notice of Meeting (the “**Notice of Meeting**”).

The enclosed proxy is being solicited by the management of the Corporation. The solicitation is being made primarily by mail, but proxies may also be solicited by telephone, by facsimile, by the internet, by advertisement or by other personal contact by directors, officers and other employees of the Corporation. The entire cost of the solicitation will be borne by the Corporation.

Unless otherwise indicated, the information contained in this Circular is given as at March 31, 2015.

VOTING BY REGISTERED SHAREHOLDERS

A registered shareholder is a person whose shares are registered directly in its own name in the records of registered shareholders maintained for the Corporation by the transfer agent and register, Computershare Investors Services Inc.

IF YOU ARE A REGISTERED SHAREHOLDER AND IN ORDER TO ENSURE REPRESENTATION AT THE MEETING YOU MUST:

Complete, date and sign the enclosed form of proxy, or other appropriate form of proxy, and, in either case:

By Mail:

- Deliver the completed proxy to the Corporation’s transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 in the enclosed addressed, prepaid envelope ; or

By Facsimile

- Submit the completed proxy to Computershare Investor Services Inc., facsimile number (416) 263-9524 or 1-866-249-7775,

by no later than 5:00 p.m. (EDT) on May 11, 2015 or 48 hours prior to the time of any adjournment or postponement of the Meeting as set out in the accompanying Circular.

Or you may:

By Telephone

- Call toll free 1-866-732-vote (8683) from a touch tone phone. Follow the instructions. You will need your control number, which appears on your proxy form. We need to receive your voting instructions before 5:00 pm (EDT) on May 11, 2015.

On the Internet

- Go to www.investorvote.com and follow the instructions on screen. You will need your control number, which appears on your proxy form. We need to receive your voting instructions before 5:00 pm (EDT) on May 11, 2015.

In Person

- Attend the Meeting and do not complete the proxy form. When you arrive at the meeting, please see a representative of Computershare. Your vote will be taken and counted at the meeting.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of common shares of the Corporation (the “**Common Shares**”) can be recognized and acted upon at the Meeting. If Common Shares are listed in your account statement provided by your broker, then, in almost all cases, those Common Shares will not be registered in your name on the records of the Corporation. Such Common Shares will likely be registered under the name of your broker or an agent of your broker (each, an “**Intermediary**”) and the beneficial owner of such shares is designated as a “non-registered shareholder”. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms.

Non-registered shareholders will receive either voting instruction forms or, less frequently, forms of proxy. The purpose of these forms is to permit such shareholders to direct the voting of the Common Shares they beneficially own.

IF YOU ARE A NON-REGISTERED SHAREHOLDER AND HAVE RECEIVED, AS PART OF THE MATERIAL FOR THE MEETING:

A Voting Instruction Form, then:

- If you do not wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), the voting instruction form must be completed in accordance with the directions on the form.
- If you wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), you must complete the voting instruction form in accordance with the directions provided, and a proxy, giving the right to attend and vote, will be forwarded to you.

A Form of Proxy, then:

- If you do not wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), you must complete a proxy using one of the methods described therein.
- If you wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), you must strike out the names of the persons named in the proxy and insert your (or such other person's) name in the blank space provided and return the proxy in accordance with the instructions provided by the Intermediary.

There are two kinds of non-registered shareholders: (i) those who object to their name being made known to the Corporation (called “**OBOs**” for Objecting Beneficial Owners) and (ii) those who do not object to their name being made known to the Corporation (called “**NOBOs**” for Non-Objecting Beneficial Owners).

In accordance with the requirements of Regulation 54-101 *Respecting Communication with Beneficial Owners of Securities of a Reporting Issuer* (Québec), the Corporation will directly deliver proxy-related material to its NOBOs through the Corporation's transfer agent, Computershare Investors Services Inc. With respect to the OBOs, the Corporation has caused to be distributed, and intends to pay the fees to deliver, the Notice of Meeting and this Circular to CDS and the Intermediaries for onward distribution. Intermediaries are required to forward such materials to OBOs unless a non-registered shareholder has waived the right to receive them. Usually, Intermediaries will use service companies to forward such materials to OBOs.

Non-registered shareholders should follow the instructions on the forms they receive from the Corporation or their Intermediaries and contact the Corporation or their Intermediaries promptly if they need assistance.

APPOINTMENT OF AUTHORIZED REPRESENTATIVE BY PROXY

The persons named in the accompanying form of proxy are officers of the Corporation. **Each shareholder has the right to appoint a person, other than a person designated in the accompanying form of proxy or voting instruction form, who need not be a shareholder of the Corporation, to attend and act on behalf of the shareholder at the Meeting. To exercise this right, a shareholder may either insert such other person's name in the blank space provided in the accompanying form of proxy or voting instruction form and strike out the names of the nominees indicated therein or complete another proper form of proxy.**

REVOCATION OF PROXIES

A shareholder of the Corporation may revoke an instrument of proxy at any time prior to the exercise thereof.

If a shareholder who has given a proxy personally attends the Meeting at which such proxy is to be voted, such shareholder may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked in writing by instrument executed by the shareholder or his authorized attorney, and deposited either (i) at the offices of the Corporation to the attention of the Vice President - Corporate Legal Affairs and Secretary, at 1111 St-Charles Street West, East Tower, Suite 1255, Longueuil, Province of Québec, J4K 5G4, (ii) at the offices of Computershare Investor Services Inc. at the location specified above at any time up to and including 24 hours, excluding Saturdays, Sundays and Holidays, preceding the day of the Meeting or any adjournment thereof, or (iii) with the consent of the Chairman of such Meeting, on the day of the Meeting or any adjournment thereof.

EXERCISE OF VOTING RIGHTS BY PROXIES

The two directors named on the form of proxy or voting instruction form have agreed to serve as your proxyholder and will vote your Common Shares in respect of which they are appointed as proxy in accordance with your instructions given thereon. **In the absence of such instructions, Common Shares will be voted IN FAVOUR of each item identified in the Notice of Meeting.**

The enclosed form of proxy or voting instruction form confers discretionary authority with respect to amendments or variations to matters identified in the Notice of Meeting, and with respect to any other matter which may properly come before the Meeting. As at the date of this Circular, the Corporation is not aware of any amendments, variations or other matters proposed or likely to come before the Meeting, except those that are indicated in the Notice of Meeting.

If any matters which are not known as of the date hereof should properly come at the Meeting, the persons named in the accompanying form of proxy or voting instruction form will vote on such matters in accordance with their best judgment.

VOTING OF SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares issuable in series. There are currently 101,061,184 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to vote at any meeting of shareholders. All holders of Common Shares of record at the close of business on March 31, 2015 will be entitled to receive notice of the Meeting and to vote at the Meeting.

The authorized share capital of the Corporation also consists of: the Cumulative Rate Reset Preferred Shares, Series A (the “**Series A Shares**”), the Cumulative Floating Rate Preferred Shares, Series B (the “**Series B Shares**”) and the Cumulative Redeemable Fixed Rate Preferred Shares, Series C (the “**Series C Shares**”). There are currently 3,400,000 Series A Shares and 2,000,000 Series C Shares issued and outstanding. No Series B Shares are currently issued and outstanding. The holders of Series A and Series C Shares are not, as such, entitled to receive notice of or to vote at the Meeting.

Unless otherwise indicated, the matters submitted to a vote at the Meeting must be approved by a majority of votes of the holders of Common Shares attending the Meeting in person or by proxy.

To the knowledge of the directors and executive officers of the Corporation, on March 31, 2015, no person or entity beneficially owned or controlled or directed, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all Common Shares, other than the following persons or entities:

PERSON/ENTITY	APPROXIMATE NUMBER OF COMMON SHARES BENEFICIALLY OWNED OR CONTROLLED OR DIRECTED	APPROXIMATE PERCENTAGE OF ISSUED AND OUTSTANDING COMMON SHARES BENEFICIALLY OWNED OR CONTROLLED OR DIRECTED
1832 Asset Management L.P.	17,562,574	17.38%
Caisse de dépôt et placement du Québec	10,753,587	10.64%

MATTERS TO BE ACTED UPON AT THE MEETING

As of the date hereof, to the knowledge of the directors of the Corporation, the only matters to be dealt with at the Meeting are the following:

1. To receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2014 (“**Fiscal 2014**”), together with the report of the auditor thereon;
2. To elect directors for the ensuing year;
3. To appoint the auditor of the Corporation for the ensuing year and authorize the directors of the Corporation to fix its remuneration; and
4. To transact such other business that may properly come before the Meeting.

PRESENTATION OF FINANCIAL STATEMENTS

The Corporation’s audited consolidated financial statements for Fiscal 2014, together with the report of the auditor thereon will be placed before the Meeting. The annual audited consolidated financial statements of the Corporation are available on SEDAR at www.sedar.com. No vote with respect thereto is required nor will be taken.

ELECTION OF DIRECTORS

Pursuant to the Articles of the Corporation, the business of the Corporation is managed by a board of directors (the “**Board**”) composed of a minimum of three and a maximum of ten directors.

The Corporation was acquired by way of a reverse takeover by Innergex Power Income Fund (the “**Fund**”) on March 29, 2010 pursuant to a Plan of Arrangement approved by the shareholders of the Corporation and by the unitholders of the Fund on March 24, 2010 and by Final Order of the Superior Court of Québec on March 26, 2010 (the “**Arrangement**”).

The Board is presently composed of six directors, consisting of Jean La Couture (Chairman of the Board), John A. Hanna, Richard Laflamme, Daniel L. Lafrance, William A. Lambert and Michel Letellier. Michel Letellier, as the President and Chief Executive Officer (“CEO”) of the Corporation, is the only non-independent director on the Board.

The following are the nominees, recommended by the Corporation’s Management, for election as directors of the Corporation, namely, Jean La Couture, Richard Laflamme, Daniel L. Lafrance, William A. Lambert, Michel Letellier, Dalton McGuinty and Monique Mercier. Other than Dalton McGuinty and Monique Mercier, all are currently directors of the Corporation.

Except where the authority to vote in favour of the directors is withheld, the persons whose names are printed on the form of proxy intend to vote IN FAVOUR of the election of each of the seven proposed nominees whose names are set forth below under the heading “Nominees” as directors of the Corporation.

Management of the Corporation has no reason to believe that any of such nominees will be unable or unwilling to serve as a director but if either of those circumstances should occur prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion, unless the shareholder has specified in the form of proxy that his or her Common Shares are to be withheld from voting on the election of directors. Each director elected will hold office until the next annual meeting or until the election of his successor, unless he or she resigns or his or her office is vacated earlier in accordance with applicable law. Subject to her election, Monique Mercier will join the Board of Directors on October 1, 2015.

Majority Vote Policy

The Board has adopted a written policy providing that, in an election of directors, any nominee who receives a greater number of votes withheld than votes in favour of his or her election must tender his or her resignation to the Board immediately following the shareholders’ meeting. Under this policy, the Board shall accept the resignation absent exceptional circumstances, will make its final decision of whether or not to accept the resignation and announce such decision in a press release within ninety (90) days following the shareholders’ meeting. A director who tenders his or her resignation pursuant to this policy will not participate in any meeting of the Board at which the resignation is considered. This policy does not apply in circumstances involving contested director elections.

Nominees

The following table sets forth the names of all persons proposed to be nominated for election as directors (the “Nominees”), their place of residence, their principal occupation(s) for the preceding five years, their other directorships, the date on which they became directors of the Corporation, their age, the Board committees of the Corporation on which they serve, the number and value of voting securities of the Corporation beneficially owned, or over which control or direction is exercised, directly or indirectly, by each of them, as at March 31, 2015 and the 2014 voting results of their election as director, if applicable.

JEAN LA COUTURE ⁽¹⁾⁽²⁾ , CHAIRMAN OF THE BOARD		INDEPENDENT
Residence, Principal Occupation & Other Directorships		
Jean La Couture, residing in Montréal, Québec, Canada, is President of Huis Clos Ltée, a management and mediation firm. He is also President of the “Regroupement des assureurs de personnes à charte du Québec”, a Québec association of life insurers. 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 of Caisse de dépôt et placement du Québec.		
Chair and Committee Membership:	Chairman of the Board of Directors Chair of the Nominating Committee Chair of the Corporate Governance Committee Member of the Human Resources Committee Member of the Audit Committee	
Director Since:	March 2010	
Age:	68	
Common Shares Beneficially Owned or Controlled or Directed:	23,972	
Percentage of Common Shares:	0.024%	
Total Value of the Common Shares Held⁽³⁾:	\$268,486	
Voting Result 2014:	Votes for: 99.92% Votes withheld: 0.08%	

Residence, Principal Occupation & Other Directorships

Richard Laflamme, residing in St-Laurent, Île d'Orleans, Québec, Canada, has acted as a corporate director and consultant in pension funds as his principal occupation since December 2012. Previously, he was General Manager of the Université du Québec Pension Fund from April 2004 to December 2012. He was a director of Innergex Inc. from 1997 until 2003 and was Chairman of the Board of Directors of Innergex GP Inc. from 1997 to 1999. Richard Laflamme held various positions with the Fédération des Caisses Desjardins du Québec from 1984 to 2004. He graduated in business and accounting from Université Laval (1983) and graduated from the Canadian Securities Institute (IDA 1988) and is an independent member of the Retirement Committee of Lantic Inc. wholly owned by Rogers Sugar Inc. He has been an independent member of the retirement committees of the policemen and policewomen as well as of the manual workers of Québec City since 2008. He is a member of the Investment Committee of the Québec City Pension Fund since 2014.

Chair and Committee Membership:

Chair of the Human Resources Committee
Member of the Corporate Governance Committee
Member of the Nominating Committee

Director Since: March 2010
Age: 58
Common Shares Beneficially Owned or Controlled or Directed: 14,000
Percentage of Common Shares: 0.014%
Total Value of the Common Shares Held⁽³⁾: \$156,800
Voting Result 2014: Votes for: 99.92% Votes withheld: 0.08%

Residence, Principal Occupation & Other Directorships

Daniel L. Lafrance, residing in Kirkland, Québec, Canada, 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 L. Lafrance has also been a member of the Ordre des comptables professionnels agréés du Québec from 1980 to 2014 and of the Institute of Chartered Accountants of Ontario since 1980. He currently acts as a director of Lantic Inc., wholly owned by Rogers Sugar Inc., a reporting issuer.

Chair and Committee Membership:

Member of the Audit Committee
Member of the Human Resources Committee
Member of the Nominating Committee

Director Since: March 2010
Age: 60
Common Shares Beneficially Owned or Controlled or Directed: 31,000
Percentage of Common Shares: 0.031%
Total Value of the Common Shares Held⁽³⁾: \$347,200
Voting Result 2014: Votes for: 99.93% Votes withheld: 0.07%

Residence, Principal Occupation & Other Directorships

William A. Lambert, residing in Toronto, Ontario, Canada, has acted as a corporate director as his principal occupation since December 2009. He was a partner of Birch Hill Equity Partners from August 2005 to December 2009 and was an officer of TD Capital Group Limited from 1987 to January 2006. William A. Lambert received an MBA from York University and a Bachelor's of Science in Electrical Engineering from the Massachusetts Institute of Technology. He currently acts as a director of Ag Growth International Inc. and Biox Corporation, both of which are reporting issuers.

Chair and Committee Membership:

Member of the Audit Committee
Member of the Corporate Governance Committee
Member of the Nominating Committee

Director Since: October 2007
Age: 63
Common Shares Beneficially Owned or Controlled or Directed: 153,300
Percentage of Common Shares: 0.152%
Total Value of the Common Shares Held⁽³⁾: \$1,716,960
Voting Result 2014: Votes for: 99.97% Votes withheld: 0.03%

Residence, Principal Occupation & Other Directorships

Michel Letellier, residing in St-Lambert, Québec, Canada, has been the President and Chief Executive Officer of the Corporation since October 25, 2007. He acted as Executive Vice President and Chief Financial Officer of the Corporation from 2003 until his appointment as President and Chief Executive Officer of the Corporation. From 1997 to 2003, Michel Letellier was Vice President and Chief Financial Officer of Innergex GP Inc. and was responsible for the financial management of the affairs of Innergex GP Inc., Innergex, Limited Partnership and Innergex Power Income Fund. Michel Letellier holds an MBA from Université de Sherbrooke as well as a bachelor's degree in commerce (finance) from Université du Québec à Montréal. He currently acts as a director of KP Tissue Inc., a reporting issuer.

Chair and Committee Membership:

Director Since:	October 2002
Age:	50
Common Shares Beneficially Owned or Controlled or Directed:	619,527
Percentage of Common Shares:	0.613%
Total Value of the Common Shares Held⁽³⁾:	\$6,938,702
Voting Result 2014:	Votes for: 99.93% Votes withheld: 0.07%

Residence, Principal Occupation & Other Directorships

Dalton James Patrick McGuinty, residing in Ottawa, Ontario, Canada, has been a consultant for PriceWaterhouseCoopers Canada since 2015 and for Desire2 Learn since 2014. He was the Premier of Ontario, Canada from 2003 to 2013 and worked as an attorney at McGuinty & McGuinty law firm from 1983 to 1996. He was elected member of the Ontario Provincial Parliament in 1990 and elected leader of the Ontario Liberal Party in 1996. Dalton McGuinty was named a senior fellow for the Harvard University Weatherhead Center for International Affairs from 2013-2014. He currently acts as a director of Pomerleau Inc.

Chair and Committee Membership:

Director Since:	-
Age:	59
Common Shares Beneficially Owned or Controlled or Directed:	Ø
Percentage of Common Shares:	Ø
Total Value of the Common Shares Held:	Ø
Voting Result 2014:	New Nominee

Residence, Principal Occupation & Other Directorships

Monique Mercier, residing in Vancouver, British Columbia, Canada, is Executive Vice President, Corporate Affairs, Chief Legal Officer and Corporate Secretary of TELUS Corporation, a telecommunications company. She holds a degree from the Faculty of Law of Université de Montréal and a master's degree in politics from Oxford University. Monique Mercier has been a member of the Board of Directors of the Canadian Cancer Research Society since 2013. She is also a member of the Board of Directors and is Chair of the Compensation Committee of Stornoway Diamond Corporation, a reporting issuer.

Chair and Committee Membership:

Director Since:	-
Age:	58
Common Shares Beneficially Owned or Controlled or Directed:	Ø
Percentage of Common Shares:	Ø
Total Value of the Common Shares Held:	Ø
Voting Result 2014:	New Nominee

- (1) Jean La Couture, Richard Laflamme and Daniel L. Lafrance were appointed directors of the Corporation on March 29, 2010 upon completion of the Arrangement. Prior to the Arrangement, Jean La Couture, Richard Laflamme and Daniel L. Lafrance were, since 2003, trustees of Innergex Power Trust, a wholly-owned subsidiary of the Fund which acquired the Corporation by way of a reverse take-over in the context of the Arrangement.
- (2) Jean La Couture also indirectly holds \$200,000 principal amount of convertible debentures of the Corporation (the "Convertible Debentures"). The Convertible Debentures are convertible at the holder's option into Common Shares at a conversion price of \$10.65 per Common Share, being a ratio of approximately 93.8967 Common Shares per \$1,000 principal amount of Convertible Debentures.
- (3) Value is based on the Common Shares price of \$11.20 at the closing of the market on March 31, 2015.
- (4) Subject to her election, Mrs. Mercier's mandate as a director will be effective as of October 1, 2015.

Skill Matrix

The Corporate Governance Committee developed a skill matrix to identify the key skills and areas of strength which it believes are important to oversee the business and the growth of the Corporation, guide Management and properly manage the risks the Corporation is facing.

The skill matrix is used by the Board as an additional tool to review the appropriateness of the composition of the Board, to identify potential new candidates for appointment to the Board, based on their skills and experience to complement the current skills and experience mix of the Board. In addition to the key skills and experience identified in the skill matrix, members of the Board are selected based on their good business judgement, high level of integrity, honesty, firm commitment to the interests of all shareholders and availability to devote sufficient time to their duties as a Board member.

The table on the right illustrates, for each skill and experience, the current skills and experience mix of the Nominees to the Board. The use of the skill matrix may also serve as a guide for the Corporate Governance Committee to identify specific development needs of each Board member and of the Board as a whole.

Skills / Experience	Number of Nominees		
	Min	Gen	Exp
Public Board	0	4	3
Renewable Power Industry	1	4	2
Audit / Financial	0	3	4
Human Resources / Compensation	0	3	4
Operations / Maintenance / Construction / Engineering	1	3	3
Health & Safety	2	5	0
Environment / Permitting	1	5	1
Regulatory & Public Affairs / Communication	1	5	1
Investment Banking / Financing	1	2	4
Compliance / Legal	0	4	3
Mergers and Acquisitions	1	2	4
Strategic Planning	0	3	4

Geographical Experience	Number of Nominees		
	Min	Gen	Exp
British Columbia	0	4	3
Ontario	2	2	3
Québec	0	2	5
USA	3	4	0
Other markets	4	3	0

Legend: **Min:** "Number of Nominees having no or minimal skills, experience or knowledge of this field"; **Gen:** "Number of Nominees having general skills, education or experience in this field, without being an expert or a professional thereof"; **Exp:** "Number of Nominees having great knowledge, experience or being expert or specialized in this field or market".

Directors Serving Together and Maximum Number of Boards

The Charter of the Board provides that the maximum number of public company boards of directors on which each director may sit is set at four and each member of the Board may not serve together with another on more than two boards of directors of same public companies. As of March 31, 2015, no Nominees serve together on the board of any other reporting issuer.

Policy Regarding Minimum Shareholding by Directors

To align director interests with those of the shareholders, each non-management director is required to acquire, over a three-year period from his or her initial election, a number of Common Shares having a value equal to at least three times the annual base retainer paid for directors of the Corporation. The directors shall maintain such minimum participation as long as they remain directors of the Corporation. On the other hand, the President and CEO, the sole management director, shall acquire and maintain, as long he occupies such position and until twelve months after he retires, a number of Common Shares having an investment value equal to at least three times his annual base salary.

The investment in Common Shares is valued under the policy at the closing price of the Common Shares at the end of the preceding fiscal year. The three-year period began on March 29, 2010 for the current directors and, for any future director, will begin at the date of his or her election.

As at the date of the Circular, all current Board members are in compliance with the Policy Regarding Minimum Shareholding by Directors, as set forth in the following table:

NON-MANAGEMENT DIRECTORS COMPLIANCE WITH MINIMUM SHAREHOLDING POLICY			
Annual Base Retainer Paid to Directors in 2014			\$43,000
Minimum Shareholding Requirement for Non-Management Directors			\$129,000
Minimum Shareholding Requirement for President and CEO (3 times his base salary)			\$1,245,000
Non-Management Directors	Number of Common Shares Held as at December 31, 2014	Investment Value as of December 31, 2014 ⁽¹⁾	Compliance with Policy
JOHN A. HANNA	53,800	\$611,168	✓
JEAN LA COUTURE	23,972	\$272,322	✓
RICHARD LAFLAMME	13,000	\$147,680	✓
DANIEL L. LAFRANCE	27,000	\$306,720	✓
WILLIAM A. LAMBERT	153,300	\$1,741,488	✓
MICHEL LETELLIER	619,527	\$7,037,827	✓

(1) Based on closing price of the Common Shares on December 31, 2014 of \$11.36.

Bankruptcy, Insolvency and Cease-Trade Order

While serving 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.

To the knowledge of the Corporation and with the exception of the foregoing, none of the Nominees (a) is, as of the date of this Circular, nor has been within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of a corporation that (i) was subject to a cease-trade order, an order similar to a cease-trade order or an order which denied the relevant corporation access to any exemption under securities legislation which was in effect for a period of more than 30 consecutive days that was issued while the Nominee was acting in the capacity of director, chief executive officer or chief financial officer, or (ii) was subject to a cease-trade order, an order similar to a cease-trade order or an order which denied the relevant corporation access to any exemption under securities legislation that was issued after the Nominee 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, as of the date of this Circular, nor has been within ten years before the date of this Circular, a director or executive officer of any corporation, including the Corporation, 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 Circular, 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 the Nominee.

Record of Attendance

The following table sets forth the record of attendance of the directors of the Corporation for meetings of the Board and, where applicable, for meetings of the Audit Committee, the Corporate Governance Committee, the Human Resources Committee and the Nominating Committee for Fiscal 2014.

DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	NUMBER OF AUDIT COMMITTEE MEETINGS ATTENDED	NUMBER OF CORPORATE GOVERNANCE COMMITTEE MEETINGS ATTENDED	NUMBER OF HUMAN RESOURCES COMMITTEE MEETINGS ATTENDED	NUMBER OF NOMINATING COMMITTEE MEETINGS ATTENDED
JOHN A. HANNA	5/5	6/6	-	-	1/1
JEAN LA COUTURE	5/5	5/6	2/2	5/5	1/1
LISE LACHAPELLE ⁽¹⁾	4/4	-	2/2	-	-
RICHARD LAFLAMME	5/5	-	2/2	5/5	1/1
DANIEL L. LAFRANCE	5/5	6/6	-	5/5	1/1
WILLIAM A. LAMBERT	4/5	6/6	2/2	-	1/1
MICHEL LETELLIER	5/5	-	-	-	-

(1) Lise Lachapelle ceased being a director of the Corporation effective December 16, 2014.

COMPENSATION OF DIRECTORS

The following table provides a summary of the compensation earned by the directors of the Corporation (other than Michel Letellier who also acted as officer of the Corporation in Fiscal 2014 and who did not receive any compensation for his services as director) for services received in such capacity during Fiscal 2014.

NAME	FEES EARNED (\$)	SHARE-BASED AWARDS (\$)	OPTION-BASED AWARDS (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)	PENSION VALUE (\$)	ALL OTHER COMPENSATION (\$)	TOTAL (\$)
JOHN A. HANNA	86,000	–	–	–	–	–	86,000
JEAN LA COUTURE	129,000	–	–	–	–	–	129,000
LISE LACHAPPELLE	67,500	–	–	–	–	–	67,500
RICHARD LAFLAMME ⁽¹⁾	95,000	–	–	–	–	–	95,000
DANIEL L. LAFRANCE	86,000	–	–	–	–	–	86,000
WILLIAM A. LAMBERT	78,000	–	–	–	–	–	78,000

(1) In 2014, a working group comprised of employees of Innergex Renewable Energy Inc. and of one director was created by the Human Resources Committee in order to review the Corporation's new RRSP program (the "RRSP Working Group"). Richard Laflamme was said director and, as such, \$11,000 is included in the fee he earned as a director.

In Fiscal 2014, directors (other than Michel Letellier) were paid a base compensation and were paid for attendance at the Corporation's Board meetings in accordance with the amounts set out below. Michel Letellier, as a director of the Corporation, who was also an officer of the Corporation, was not entitled to remuneration for his services to the Corporation as a director. All directors were reimbursed for out-of-pocket expenses incurred in connection with their duties as directors. The Corporate Governance Committee conducts an annual review of all aspects of director compensation to ensure compensation reflects the time and effort devoted and remains appropriate within the market. The Board determined director compensation based on the recommendations of the Corporate Governance Committee. Starting in 2015, the Human Resources Committee will be responsible for making such recommendations. The Board has reviewed the fees payable to directors and committee members for the financial year commencing January 1, 2015 to, among other things, adjust them to be comparable to the fees payable to boards of similar corporations.

COMPENSATION	FISCAL 2014		FISCAL 2015	
	AMOUNT	TOTAL PAID	AMOUNT	TOTAL PAYABLE
Directors' Base Compensation	\$43,000 per year	\$215,000	\$46,000	\$195,500
Chairman of Board	\$129,000 ⁽¹⁾ per year	\$129,000	\$137,000 ⁽¹⁾	\$137,000
Chair of Committee (other than Audit and Human Resources)	\$10,000 per year	\$10,000	\$10,000	\$10,000
Chair of Human Resources Committee	\$10,000 per year	\$10,000	\$12,000	\$12,000
Chair of Audit Committee	\$17,500 per year	\$17,500	\$20,000	\$20,000
Committee Members - Audit	\$5,000 per year	\$10,000	\$6,000	\$7,500
Committee Members - Other	\$2,500 per year	\$20,000	\$3,000	\$27,000
Attendance at Meetings				
- in person	\$2,000 per meeting	\$130,000 ⁽²⁾	\$2,000 per meeting	Determined according to number of meetings
- by conference call	\$1,000 per meeting (if less than 1 hour); \$2,000 per meeting (otherwise)		\$1,000 per meeting (if less than 1 hour); \$2,000 per meeting (otherwise)	

(1) All inclusive, no attendance fees or other chair functions are paid to the Chairman of the Board.

(2) Including the \$11,000 received by Richard Laflamme for his work with the RRSP Working Group.

APPOINTMENT OF THE AUDITOR OF THE CORPORATION

Deloitte LLP has been acting as the auditor of the Corporation since 2004.

The persons named in the accompanying form of proxy intend to vote IN FAVOUR of the resolution appointing Deloitte LLP as auditor of the Corporation to hold office until the next annual meeting of shareholders or until its successor is appointed, and authorizing the Board to fix its remuneration, unless the shareholder who has given the proxy has directed that the Common Shares represented thereby be withheld from voting in respect of the appointment of the auditor.

COMPENSATION OF NAMED EXECUTIVE OFFICERS

Summary

The following table presents information regarding the compensation earned in Fiscal 2012, 2013 and 2014 by the President and Chief Executive Officer of the Corporation, the Chief Financial Officer of the Corporation and the other three most highly compensated executive officers of the Corporation as of December 31, 2014 (the "Named Executive Officers or "NEO").

YEAR	SALARY (\$)	SHARE-BASED AWARDS (\$) ⁽¹⁾	OPTION- BASED AWARDS (\$) ⁽²⁾	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)			ALL OTHER ⁽⁴⁾⁽⁵⁾ COMPENSATION (\$)	TOTAL COMPENSATION (\$)
				ANNUAL INCENTIVE PLANS ⁽³⁾	LONG-TERM INCENTIVE PLANS	PENSION VALUE (\$)		
MICHEL LETELLIER President and Chief Executive Officer								
2014	475,000	193,974	61,845	450,528	–	–	12,135	1,193,482
2013	415,000	166,518	57,505	368,088	–	–	11,485	1,018,596
2012	375,000	164,714	79,205	259,800	–	–	11,725	890,444
JEAN PERRON Chief Financial Officer								
2014	265,290	74,945	24,225	177,468	–	–	12,135	554,063
2013	239,001	64,399	22,525	145,752	–	–	12,081	483,758
2012	217,500	63,701	31,025	103,936	–	–	10,875	427,037
JEAN TRUDEL Chief Investment Officer								
2014	254,190	74,945	24,225	170,475	–	–	12,135	535,970
2013	228,990	64,399	22,525	138,884	–	–	11,450	466,248
2012	210,000	63,701	31,025	99,092	–	–	10,743	414,561
FRANÇOIS HÉBERT Senior Vice President – Operations and Maintenance								
2014	231,000	58,889	18,240	144,158	–	–	11,550	463,837
2013	210,000	50,599	16,960	137,919	–	–	9,681	425,159
2012	190,000	50,051	23,360	82,055	–	–	8,432	353,898
RENAUD DE BATZ DE TRENQUELLÉON⁽⁶⁾ Senior Vice President – Hydroelectric Projects Management								
2014	195,700	58,889	18,240	122,128	–	–	70,888	465,845
2013	190,000	50,599	16,960	106,370	–	–	71,149	435,078
2012	183,891	50,051	23,360	70,917	–	–	71,514	399,733

- (1) For valuation purposes, (i) the value of the performance shares rights granted under the Performance Share Plan is based on the volume weighted average trading price of the shares on the Toronto Stock Exchange ("TSX") for the 5 trading days immediately preceding each grant, which was \$10.46 per share in 2012, \$9.85 in 2013 and \$10.01 in 2014; (ii) the number of performance shares earned pursuant to a performance share right may increase or decrease depending on whether or not the performance objectives are reached. For the years 2012 to 2014, the performance targets are based on the average total shareholder return ("TSR") of the year of the grant and the two following years. The number of performance shares allocated for each grant included in this table is based on the average TSR of the year of the grant and target TSR for the two following years, which average equals 8.70% for the 2012 grant, 9.34% for 2013 and 11.13 % for 2014, which would represent a fair estimate of the average 3-year TSR of each grant. See the Performance Share Plan section for more details on the calculation of the TSR. These amounts do not constitute cash amounts received by the Named Executive Officers. It is an at-risk value. See the Equity-Based Incentive Plan sections.
- (2) All stock option values are based on the Black-Scholes model, for valuation purposes, which establishes a value of \$0.73 per option granted during Fiscal 2012, \$0.53 per option granted during Fiscal 2013 and \$0.57 per option granted during Fiscal 2014. The Black-Scholes valuation methodology is used to value stock options because it is the predominant methodology in the marketplace. Stock options were granted on November 21, 2014 at an exercise price of \$10.96 per Common Share. See the Equity-Based Incentive Plan sections.
- (3) Amounts are paid in cash in the fiscal year following the fiscal year for which they were earned. The Annual Incentive Plan amounts disclosed herein therefore relate to bonuses earned in Fiscal 2014 and paid in the 2015 fiscal year. See "Performance Bonus" below.
- (4) The Corporation has made contributions to the registered retirement saving plans ("RRSP") of, and on behalf of, each of the Named Executive Officers. The Corporation matches the employee's contribution to his RRSP up to an amount of 5% of his salary, subject to a maximum of 50% of the maximum RRSP contribution limit under the *Income Tax Act*.
- (5) The value of perquisites awarded to each Named Executive Officer in Fiscal 2014 was less than \$50,000 or 10% of the total of their respective salaries and annual incentive plans, except for Renaud De Batz de Trenquelléon who received his RRSP contribution mentioned in (4) above of \$9,785, a car allowance of \$12,000 and an annual compensation for additional interest to be paid on his mortgage resulting from his relocation, agreed upon when the Corporation required him to move from Montréal (Québec) to Vancouver (British-Columbia) in 2011, which amounts to \$49,103 in 2014.
- (6) Renaud De Batz de Trenquelléon became an Executive Officer of the Corporation in 2013 when he was promoted from Vice-President to Senior Vice-President.

Compensation Governance

The Human Resources Committee is responsible for overseeing the Corporation's compensation program on a global basis and making recommendations to the Board on executive compensation and compensation plan matters. In addition, the Committee oversees the efficiency of the human resources' organizational structure, the risks related to compensation as well as succession planning for the President and Chief Executive Officer and all other executive officers of the Corporation. The responsibilities, power and operation of the Human Resources Committee are further described in the Charter of the Human Resources Committee of the Corporation reproduced in Schedule A to this Circular.

The members of the Human Resources Committee are Richard Laflamme (Chair), Jean La Couture and Daniel L. Lafrance, all of who are independent directors within the meaning of Section 1.4 of *Regulation 52-110 Respecting Audit Committees* under the *Securities Act* (Québec). Each Committee member has skills and experience that are relevant to his responsibilities in compensation, talent management, organisational development, leadership, governance and risk management gained by being a director, a current or former senior officer with oversight of compensation decision-making processes, human resources functions or pension plan management and by participating in related education programs.

In 2014, the Human Resources Committee's work included, among other things:

- Setting performance objectives for the Corporation and the President and Chief Executive Officer and evaluating his performance;
- Reviewing the appropriateness of the comparison group of the Corporation and making changes thereto;
- Reviewing and adjusting the Corporation's executive compensation program, including base remuneration, short-term and long-term incentives and all other advantages;
- Reviewing the Corporation's succession planning for the President and Chief Executive Officer and the executive officers including discussions of development plans;
- Reviewing and assessing the risks associated with the Corporation's compensation policies and practices; and
- Reviewing the amendments to be made to the group RRSP offered by the Corporation. In this regard, a working group headed by the Chair of the Human Resources Committee and composed of two members of Management and two employees of the Corporation was created to improve the offer to employees, the communication thereof and to encourage employee participation in the RRSP and their interest in improving the management of their respective plans.

Risk Oversight

The Human Resources Committee reviews and approves the Corporation's compensation policies and practices, taking into account any associated risks. As further described hereunder, the components of compensation include a base salary, a Short-Term Incentive Plan (Performance Bonus) and a long-term equity-based incentive plan made up of the Stock Option Plan (the "**Stock Option Plan**") and the Performance Share Plan. The Board believes that the balanced use of these key components of the compensation program eliminates reliance on any single performance metrics thus mitigating risks related to compensation and ensuring that compensation is aligned with the interests of shareholders. During the review performed for Fiscal 2014, the Committee has not identified any risks arising from the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

As part of the compensation risk management measures, the Board has implemented, over recent years, compensation governance policies and guidelines such as anti-hedging provisions whereby the Corporation's executive officers and directors are prohibited from purchasing financial instruments relating to the Corporation's common shares, a Recoupment Policy that allows the Board to claw back incentive compensation from executive officers when financial results have to be materially restated or corrected because of executive fraud or misconduct, and minimum shareholding requirements for executives, as further described below under "Other Key Compensation Policies of the Corporation".

Succession Planning

The Human Resources Committee oversees Management's succession planning. Once a year, the Human Resources Committee reviews the progress, examines any gaps in the succession plan, reviews the development plan of each identified potential successor as well as the different scenarios to efficiently address any emergency replacement events. The Human Resources Committee meets at least once a year with the President and Chief Executive Officer and other officers to review the succession plan and identify the development needs of qualified internal candidates for filling potential future openings in key positions.

Independent Advisors

To assist the Human Resources Committee in reviewing the Corporation's long-term incentive portion of the executive compensation program, the Committee retained the services of Hugessen Consulting in 2014, an independent compensation consultant based in Toronto, Ontario, Canada (the "**Compensation Consultant**"), who reported solely to the Chair of the Human Resources Committee.

The mandate of the Compensation Consultant was to perform an analysis in 2014 of the Stock Option Plan and the Performance Share Program of the Corporation, to update Committee members on market practices and trends, perform a quantitative benchmark with respect to the long-term incentive program, make recommendations to the Human Resources Committee regarding performance targets for performance share grants and answer questions regarding compensation governance practices in general.

The following table outlines the fees paid to the Compensation Consultant for services provided during financial years 2013 and 2014.

ADVISOR	EXECUTIVE COMPENSATION-RELATED FEES (\$)		ALL OTHER FEES ⁽¹⁾ (\$)	
	2014	2013	2014	2013
Hugessen Consulting	27,252	-	-	-

(1) The fees included in this category relate to services provided reviewing the Corporation's long-term incentive portion of the executive compensation program.

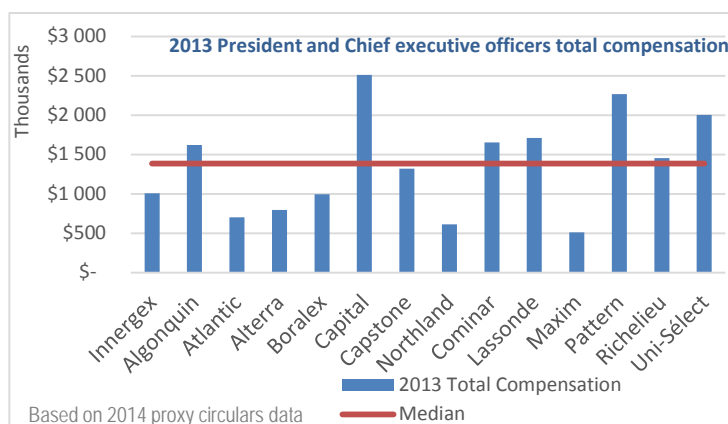
Comparison Groups

The Corporation uses a comparison group to benchmark the Corporation's senior executive compensation against those of the comparison group. It is composed of the 13 publicly-traded corporations listed below, which were selected taking into account the industry, the location, the capitalization, the earnings before interest, taxes, depreciation and amortization and the total assets of each (the "**Comparison Group**"). For consistent comparison purposes, the Comparison Group's appropriateness is reviewed on an annual basis to ensure that the inclusion criteria and the included corporations are still relevant. The Human Resources Committee reviewed the composition of the Comparison Group in 2014, which is currently composed of the following entities:

COMPARISON GROUP		
Algonquin Power & Utilities Corp.	Capstone Infrastructure Corp.	Northland Power Inc.
Alterra Power Corp.	Cominar Real Estate Investment Trust	Pattern Energy Group inc.
Atlantic Power Corp.	Lassonde Industries Inc.	Richelieu Hardware Ltd.
Boralex Inc.	Maxim Power Corp.	Uni-Select Inc.
Capital Power Corporation		

The 2013 total compensation of the President and Chief Executive Officer was positioned below the median, as shown in the table on the right, when compared with the total compensation of the corporations composing the Comparison Group.

Beginning in 2015, the Corporation uses a TSR performance group (the “**TSR Performance Group**”) in order to link 50% of the performance objectives of the performance share rights granted to the average ranking of the Corporation within the TSR Performance Group over three-year periods. It is composed of the 15 publicly-traded corporations listed below, including the Corporation, plus the S&P/TSX Composite Index, which were selected since their activities, yield or dividend payment profiles are similar or comparable to those of the Corporation.



TSR PERFORMANCE GROUP			
Algonquin Power & Utilities Corp.	Brookfield Renewable Energy	Emera	Pattern Energy Group Inc.
Alterra Power Corp.	Capital Power Corporation	Innergex Renewable Energy Inc.	S&P/TSX Composite Index
Atlantic Power Corp.	Capstone Infrastructure Corp	Maxim Power Corp.	TransAlta Renewables
Boralex Inc.	Cominar Real Estate Invest. Fund	Northland Power Inc.	Valener

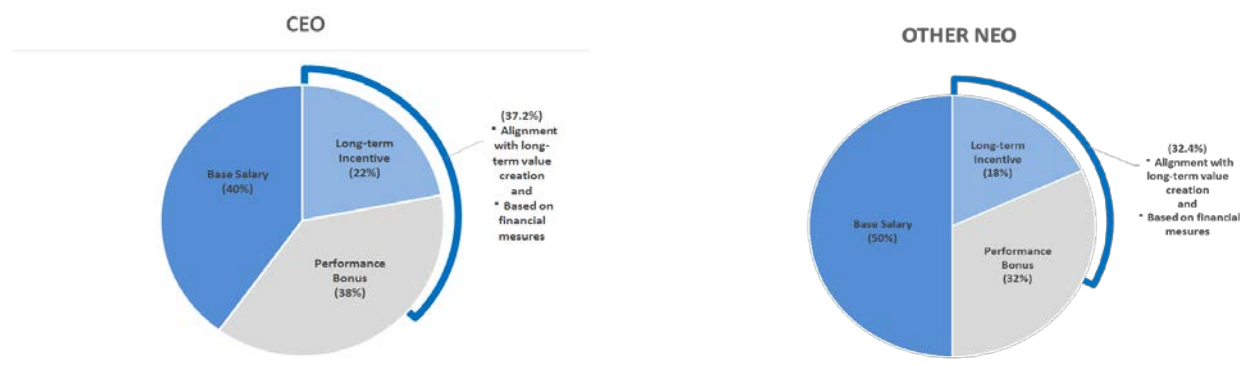
For consistent comparison purposes, the TSR Performance Group will be reviewed on an annual basis prior to each performance share right grant to ensure that the corporations or indexes included are still relevant.

Executive Compensation Practices

Through its executive compensation practices, the Corporation seeks to provide value to its shareholders through a strong executive leadership. Specifically, it seeks to attract and retain talented and experienced executives necessary to achieve the Corporation’s strategic objectives and to motivate and reward executives whose knowledge, skills and performance are critical to the Corporation’s short and long-term success. It also seeks to align the interests of the Corporation’s executives and shareholders by motivating executives to increase shareholder value and preserve a stable dividend while building for the future. Accordingly, a significant portion of the executives’ compensation is considered as “pay-at-risk”, meaning that the pay-out is not guaranteed and contingent on performance and achievement of corporate or personal objectives. Moreover, a significant portion thereof is aligned with long term value creation and growth. Executives’ long-term incentives depend on shareholders’ returns and the appreciation of our Common Share price relative to the strike price, while at least 40% of the yearly objectives for their short-term incentives (bonification) focuses on development activities which consist in building sustainable value.

Compensation of the Corporation’s executive officers for Fiscal 2014 was comprised of a base salary, annual performance bonuses, an equity-based incentive plan composed of the grant of options to purchase Common Shares under the Stock Option Plan of the Corporation and the grant of performance share rights under the Performance Share Plan, contributions to RRSPs and other perquisites.

The compensation mix between base salary, long-term incentives and short-term incentives for Fiscal 2014 is as follows:

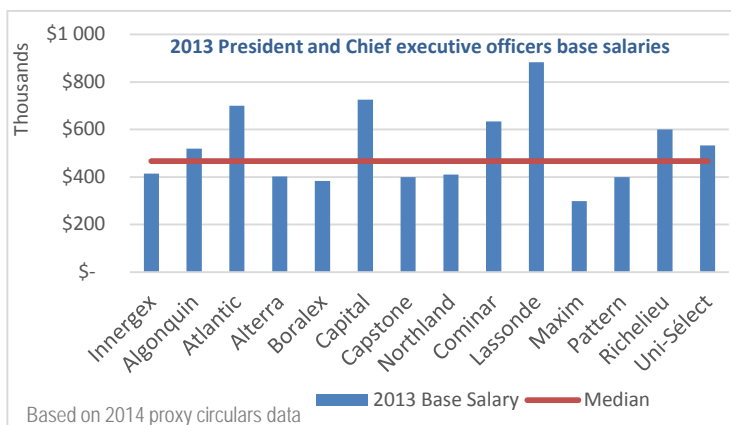


At least 37.2% of the CEO compensation mix (32.4% for the other NEOs) is aligned with long-term growth, namely 40% to 45% of the Performance Bonus (the development objectives) and 100% of the long-term incentives, and 37.2% (32.4% for the other NEOs) is based on financial measures such as the adjusted payout ratio, TSR and common share value.

Base Salary

The Corporation's approach is to pay its executives a base salary that is competitive with those of other executive officers in comparable organisations in the renewable energy industry or comparable industries, such as those listed in the Comparison Group. The Corporation believes that a competitive base salary is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. The Corporation also believes that attractive base salaries can motivate and reward executives for their overall performance. The Comparison Group is also used to ensure that the base salary of its executive officers is reasonably positioned within the Comparison Group without, however, targeting any remuneration level against the Comparison Group, as shown in the table below.

On an annual basis, the President and Chief Executive Officer reviews the base salary of each executive and suggests adjustments as required, in accordance with certain criteria including, without limitation, (i) past salary, (ii) changes in the compensation for comparable companies such as those listed in the Comparison Group and (iii) changes in the duties and responsibilities to ensure the compensation remains competitive and is commensurate with the responsibilities of the position and individual performance. The President and Chief Executive Officer typically suggests adjustments to the Human Resources Committee which analyses the suggestions based on the Corporation's approach to executive compensation and makes recommendations to the Board.



In November 2013, considering all these criteria, the Board authorized an approximate 14% increase in the base salary of the President and Chief Executive Officer from \$415,000 to \$475,000 and between 3% to 11% increase to the other Named Executive Officers, effective as of January 1, 2014.

Performance Bonus

In 2014, the executive officers of the Corporation had an opportunity to earn an annual bonus based mainly (80% to 90%) on the overall performance of the Corporation and from 10% to 20% on individual performance. In 2014, individual target bonuses of Named Executive Officers were as showed in the table on the right.

Named Executive Officers	Minimum	Target	Maximum
Michel Letellier	25%	60%	120%
Jean Perron Jean Trudel	0%	40%	80%
Renaud de Batz François Hébert	0%	35%	75%

For Fiscal 2014, the Human Resources Committee recommended, and the Board authorized, a performance bonus to executive officers based on the following 2014 Corporate Objectives and on additional considerations:

2014 CORPORATE OBJECTIVES	RESULTS
OPERATION OBJECTIVES	
WEIGHTING: 40% for the President and Chief Executive Officer and 45% for all other Named Executive Officers	
Two-year average target adjusted payout ratio of 101.08% for Fiscal 2013 and 2014	<input checked="" type="checkbox"/> Outperformed, the actual result of 90.55% was better than anticipated, mainly due to contributions from the acquisitions of SM-1 and Magpie, lower distributions to non-controlling interests and lower interest expenses, partly compensated by a lower adjusted EBITDA.

The Adjusted Payout Ratio is not a recognized measure under International Financial Reporting Standards (“IFRS”) and therefore may not be comparable with those presented by other issuers. It is calculated as the dividends declared on Common Shares over the following:

Cash flows from operating activities before changes in non-cash operating working capital items, less (i) maintenance capital expenditures net of proceeds from disposals, (ii) scheduled debt principal payments and (iii) preferred share dividends declared. It also subtracts the portion of Free Cash Flow attributed to non-controlling interests regardless of whether an actual distribution to non-controlling interests is made in order to reflect the fact that such distribution may not occur in the period the Free Cash Flow is generated, and adds back cash receipts by the Harrison Hydro L.P. for the wheeling services to be provided to other facilities owned by the Corporation over the course of their PPAs.,

adjusted by:

- transaction costs related to realized acquisitions,
- realised losses (gains) on derivative financial instruments.

Focus on the payout ratio is important for the Corporation and therefore represents 40% to 50% of the performance bonus. The application of this measure is carefully considered by the Human Resources Committee to take into account special situations that may have an unusual positive or negative impact on this calculation. This may result in certain positive or negative items to be added or excluded from the final calculation to arrive at the adjusted payout ratio after such items would have been approved by the Audit Committee of the Corporation. In addition, the bonus calculation is based on the adjusted payout ratio achieved in the last two completed fiscal years.

DEVELOPMENT OBJECTIVES⁽¹⁾	
WEIGHTING 40% for the President and Chief Executive Officer and 45% for all other Named Executive Officers	
1. Achievement of important milestones for the projects under construction on time and on budget:	
<ul style="list-style-type: none"> ▪ Negotiate and execute major construction contracts and commence construction for Upper Lillooet River and Boulder Creek Development Projects 	<input checked="" type="checkbox"/> Outperformed, approximately 30% of construction work was completed
<ul style="list-style-type: none"> ▪ Complete 50% of civil engineer work for Tretheway Creek Project 	<input checked="" type="checkbox"/> Outperformed, 65% of civil engineer work was completed
<ul style="list-style-type: none"> ▪ Negotiate and execute major construction contract and commence construction for the Big Silver Creek Project 	<input checked="" type="checkbox"/> Outperformed with success and approximately 25% of construction work was completed
2. Achievement of important milestones for the development projects (permits, closing of financing, start of construction)	
<ul style="list-style-type: none"> ▪ Close financings of <ul style="list-style-type: none"> ○ Upper Lillooet River and Boulder Creek Projects ○ Tretheway Creek Development Projects 	<input checked="" type="checkbox"/> Financing was not completed in 2014, but it was in the first quarter of 2015
	<input checked="" type="checkbox"/> Financing was closed in third quarter of 2014
<ul style="list-style-type: none"> ▪ Complete hedging program 	<input checked="" type="checkbox"/> Completed
<ul style="list-style-type: none"> ▪ For the Mesgi'g Ugiu's'n (MU) Project, execute the Electricity Purchase Agreement with Hydro-Québec and complete the BAPE Process 	<input checked="" type="checkbox"/> Outperformed, the EPA was signed, no BAPE hearing was required, the Environment Governmental Decree was obtained and the Turbine Supply Agreement is signed.
<ul style="list-style-type: none"> ▪ Obtain the Leave to Construct for the Big Silver Creek Project 	<input checked="" type="checkbox"/> Outperformed, leave to begin construction was obtained and construction effectively began
3. Development, Operation and Health and Safety activities and actions for the development of prospective projects portfolio and acquisitions	
<ul style="list-style-type: none"> ▪ Continue implementation of the Health and Safety Management System Objective (“HSMSO”) 	<input checked="" type="checkbox"/> Great progress made, the HSMSO is 73% implemented

2014 CORPORATE OBJECTIVES	RESULTS
<ul style="list-style-type: none"> ▪ Actions to develop prospective projects portfolio and acquisition <p>(1) Capitalized terms relating to projects in this table have the same meanings as the ones assigned to them in our Annual Information Form.</p>	<ul style="list-style-type: none"> ☑ Achieved, actions to realize value of prospective projects with regards to hydro, wind and solar projects in either British Columbia, Ontario or Québec.
4. Additional Considerations	
<ul style="list-style-type: none"> ☑ 2015-2020 Strategic Plan was completed ☑ Completion of the Ste-Marguerite Facility Acquisition, increasing the yearly cash flow of the Corporation by approximately \$5 Million ☑ Temporary increases of the Corporation Credit Facility of \$50 Million and extended the term to 2018 ☑ A large-scale Health, Safety and Environment training program was successfully deployed 	
PERSONAL OBJECTIVES	
WEIGHTING : 20% for the President and Chief Executive Officer, 10% for all other Named Executive Officers	
At the beginning of each year, each Named Executive Officer meets with the President and Chief Executive Officer to set his individual objectives for the year, specific for his sector, while the President and Chief Executive Officer meets with the Human Resources Committee for his own objectives, which are approved by the Board of Directors. Such objectives include qualitative and quantitative elements necessary to be accomplished during the current year to reach the short and long-term objectives of the Corporation.	

As reflected in the break-down provided above, bonuses are primarily based upon the performance of the Named Executive Officers for their involvement in the successful achievement by the Corporation of its objectives for the year. However, it is important to note that at least 40% of these objectives for the year are aligned toward long-term value creation and growth: the development objectives. The primary objective of the Corporation's bonus payments is to motivate and reward its Named Executive Officers for meeting the Corporation's yearly objectives using a performance-based compensation program. At least 40% of the bonus is linked to specific pre-determined financial objectives. The Corporation does not believe that it is possible to specifically quantify every important aspect of executive performance in a pre-determined objective goal. For example, the extent of the actions to realize value of the prospective projects portfolio may become a more important objective of the executive team if a request for proposals is launched by a governmental authority during the year or the priority may differ if an interesting acquisition opportunity is pursued by the Corporation. Such events may occur after the Corporation has established the executives' performance goals for the year and may require its executives to focus their attention on different or other strategic objectives.

At least 40% of the short term incentives (bonuses) is aligned with long-term value creation and growth. Innergex's development objectives consist in building now for the future.

At least 40% of the short-term incentives is based on a financial measure.

Equity-Based Incentive Plan

The Equity-Based Incentive Plan of the Corporation is composed of a mix of the Stock Option Plan and the Performance Share Plan which was deployed by the Board effective as of January 1, 2012. It is composed of the then existing Stock Option Plan of the Corporation and a non-dilutive Performance Share Plan with grants of performance share rights on an annual basis, with a three-year vesting period and conditional upon the employee remaining an employee of the Corporation at the time of vesting and the realization of pre-determined financial objectives based on total shareholder return.

The implementation of this dual Equity-Based Incentive Plan has had an impact on the number of options granted since the 2012 fiscal year ("**Fiscal 2012**"); grants under both plans are considered together as the Equity-Based Incentive Plan of the Corporation. Grants under the Stock Option Plan and the Performance Share Plan are recommended on a yearly basis by the Human Resources Committee to the Board, which ultimately has the responsibility of awarding grants under both plans. When new grants are considered, previous grants are used for reference purposes only and do not bind the Board.

From Fiscal 2012 until the end of 2014, the annual maximum levels for stock options and performance share rights granted to Named Executive Officers were set as follows:

TITLE	MAXIMUM LEVEL OF STOCK OPTIONS	MAXIMUM LEVEL OF PERFORMANCE SHARE RIGHTS
President and Chief Executive Officer	From 0 to a maximum of 3 times the base salary	From 0 to a maximum of 3 times the base salary
Chief Financial Officer and Chief Investment Officer	From 0 to a maximum of 2 times the base salary	From 0 to a maximum of 2 times the base salary
Senior Vice President	From 0 to a maximum of 1.5 times the base salary	From 0 to a maximum of 1.5 times the base salary

In 2014, this dual Equity-Based Incentive Plan was further adjusted considering that the historical Black-Scholes value allocated to stock options was very low mainly due to the fact that the Corporation distributes a stable dividend, and it therefore takes many stock options to equal one performance share right while stock options are dilutive and performance share rights are not.

Consequently, starting in 2014, the Equity-Based Incentive Plans grants will be gradually balanced according to the following guidelines:

- Yearly target grants under both plans on a combined basis will be equal to 60% of the base salary of each Named Executive Officer which is in line with market practices.
- The portion of stock options will be gradually decreased in favor of proportionally increasing in value the target number of performance share rights allocated to each Named Executive Officer.

EQUITY BASED INCENTIVE PLAN	PROPORTION OF BASE SALARY		
	2014	2015	2016
Stock Options	13%	8%	5%
PSR	39%	52%	55%
Total	60%	60%	60%

Grants under the Stock Option Plan and the Performance Share Plan are recommended by the Human Resources Committee on a yearly basis to the Board, which ultimately has the responsibility of awarding grants under both plans.

Stock Option Plan

The Corporation's granting of options to purchase Common Shares to its executive officers is a method of compensation which is used to attract and retain executives, to provide an incentive to participate in the long-term development of the Corporation and to increase shareholder value.

A description of the Stock Option Plan follows:

Adopted	December 3, 2007 in connection with the Corporation's initial public offering.		
Administration	The Stock Option Plan is administered by the Board.		
Eligibility	Employees, officers, directors and certain consultants of the Corporation and its subsidiaries.		
Award	Options to buy Common Shares.		
Exercise Price	Options granted under the Stock Option Plan have an exercise price (the " Exercise Price ") of not less than the market price of the Common Shares at the date of grant of the option, calculated as the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the date of grant (the " Market Price "). Except for the December 6, 2007 grant, which was equal to the offering price of the Corporation's initial public offering, the Exercise Price of all options granted under the Stock Option Plan as of today equals the Market Price at the time of the grant.		
Common Shares Issuable	A maximum aggregate of 4,064,123 Common shares representing approximately 4.03% of the issued and outstanding Common Shares as at March 31, 2015 may be subject to options granted under the Stock Option Plan.		
Historical total number of stock options granted to executive officers as well as the grant dates and the exercise price of each grant.	GRANT DATES	TOTAL STOCK OPTIONS GRANTED	EXERCISE PRICES
	December 6, 2007	1,410,000	\$11.00
	June 23, 2010	808,024	\$8.75
	November 18, 2011	835,420	\$9.88
	November 16, 2012	417,000	\$10.70
	November 5, 2013	397,000	\$9.13
	November 21, 2014	397,000	\$10.96

Options history and status	<ul style="list-style-type: none"> • Aggregate total stock options granted since inception of the Plan 4,264,444 • Aggregated exercised options since inception of the plans 127,904 • Aggregated number of options cancelled since inception of the plans 710,856 • Options currently under grant 3,425,684 representing approximately 3.39% of the issued and outstanding Common Shares • Options available for future grants 510,535
Limits	<p>The number of Common Shares issuable to non-executive directors of the Corporation under the Stock Option Plan or any other securities-based compensation arrangement of the Corporation cannot at any time exceed 1% of the issued and outstanding Common Shares.</p> <p>The number of Common Shares issuable to insiders of the Corporation, at any time, under the Stock Option Plan and any other securities-based compensation arrangement cannot exceed 10% of the issued and outstanding Common Shares.</p>
Vesting	<p>Subject to the discretion of the Board, options granted under the Stock Option Plan will vest in four equal amounts on a yearly basis over the four years following the grant date. The options granted on June 23, 2010 are vesting in five equal amounts on a yearly basis over the five years following the grant date.</p>
Term, Expiry	<p>Options must be exercised during a period established by the Board, which may not be greater than ten years after the date of grant.</p> <p>Any Common Shares subject to an option that expires or terminates without having been fully exercised may be made the subject of a further option.</p> <p>If the date on which an option expires occurs during or within 10 days after the last day of a black out period under a black out policy of the Corporation, the expiry date of the option will be the last day of such 10-day period.</p>
Financial Assistance and in lieu exercise	<p>No financial assistance is provided under the Stock Option Plan to help option holders' exercise their options.</p> <p>If approved by the Board, in lieu of paying the Exercise Price for the Common Shares to be issued pursuant to an exercise, the option holder may elect to acquire the number of Common Shares determined by subtracting the Exercise Price from the Market Price of the Common Shares on the date of exercise, multiplying the difference by the number of Common Shares in respect of which the option was otherwise being exercised and then dividing that product by such Market Price of the Common Shares.</p>
Termination	<p>If the employment of an option holder is terminated for cause, options not then exercised terminate immediately.</p> <p>If an option holder dies or becomes, in the determination of the Board, permanently disabled, vested options at the time of death or permanent disability may be exercised, as the case may be, for a period of six months or one year after the date of death or permanent disability.</p> <p>If an option holder's employment or directorship ends for reasons other than by reason of death, permanent disability or termination for cause, vested options at the time of such termination may be exercised for a period of 90 days after such termination.</p> <p>The Stock Option Plan contains mechanisms to satisfy the Corporation's payment of payroll deductions obligations upon the exercise of an option even if the option holder is no longer at the employment of the Corporation at the time of exercise of the option.</p> <p>The limitations set forth above are subject to waiver by the Board, at its discretion, provided that the Board will not, in any case, authorize the exercise of an option after its applicable expiry date.</p>
Amendment, suspension or termination of the Stock Option Plan	<p>The Board may amend, suspend or terminate the Stock Option Plan or the term of any outstanding option at any time, provided that no such amendment, suspension or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or, if the amendment, suspension or termination materially prejudices the rights of any option holder, the consent of that option holder.</p> <p>Furthermore, the Board may not, without the consent of the shareholders, make amendments to the Stock Option Plan for any of the following purposes:</p> <ul style="list-style-type: none"> (i) to increase the maximum number of Common Shares that may be issued pursuant to options granted under the Stock Option Plan; (ii) to reduce the Exercise Price of the options to less than the Market Price; (iii) to reduce the Exercise Price for options for the benefit of an insider, as that term is defined under the Stock Option Plan; (iv) to extend the expiry date of options for the benefit of an insider, as that term is defined under the Stock Option Plan; (v) to increase the maximum number of Common Shares issuable to non-executive directors or insiders; and (vi) to amend the provisions of the Plan relating to what the Board cannot amend without shareholder approval

Change of Control	In the event of a proposed change of control (as that term is defined under the Stock Option Plan), the Board may accelerate the vesting period of outstanding options. Options granted pursuant to the Stock Option Plan may not be assigned or transferred, with the exception of an assignment made to certain permitted assigns, including a trustee, custodian or administrator acting on behalf of the participant, a holding entity of the participant and the spouse of the participant.
Changes in Capital Structure	The Stock Option Plan and individual option terms and conditions are subject to adjustment in the event of a subdivision, consolidation or certain distributions of Common Shares and upon a capital reorganization, reclassification or change of the Common Shares, a corporate reorganization or combination of the Corporation with another corporation or a sale, lease or exchange of all or substantially all of the assets of the Corporation.

Performance Share Plan

The goal of the Performance Share Plan is to motivate the executive officers to create long-term economic value for the Corporation and its shareholders. This portion of the Equity-Based Incentive Plan focuses executive officers on delivering business performance over the next three years against the total shareholders value. The award is paid out at the end of the three years, depending on how well the Corporation performed against targets set at the beginning of the three-year period.

A description of the Performance Share Plan follows:

Implemented	Effective as of January 1, 2012.
Administration	The Performance Share Plan is administered by the Board.
Eligibility	Employees and officers of the Corporation.
Award	The Human Resources Committee recommends to the Board the number of performance share rights to be granted, changes to the plan and establishes the performance objectives to be achieved, which are approved by the Board of Directors of the Corporation.
Vesting	The vesting date of the performance share rights is determined on the grant date which shall not exceed three (3) years thereafter. The payouts are made in shares, so the value goes up or down based on stock price performance from the beginning of the grant. On the vesting date, each performance share right entitles its holder to one Common Share of the Corporation with all the dividends accrued thereon from the grant date, such dividend being either paid in cash, in shares or in a combination of both at the sole discretion of the Corporation.
Dilution	The Performance Share Plan is not dilutive with respect to the issued and outstanding shares of the Corporation, in that performance shares are settled in Common Shares of the Corporation purchased on the secondary market.
Assignment and Transfer	Performance share rights are not transferable or assignable.
Termination	<p>Unless the Human Resources Committee decides otherwise, the performance share rights granted expire upon the termination of employment of their holder for any reason whatsoever except for involuntary termination of employment without cause ("Termination Without Cause"), death, retirement or permanent disability.</p> <p>If the performance share rights holder retires, deceases, becomes disabled or in the event of Termination Without Cause prior to the vesting date, he or his estate is entitled, on such vesting date, to a number of performance share rights in proportion to the number of days between the grant date and his Termination Without Cause, retirement, death or permanent disability date and the total number of days between the grant date and the vesting date of the performance share rights.</p>
Change of Control	In the event of a change of control of the Corporation, the Board may decide, to the extent that the Board considers necessary or equitable, the manner in which all the performance share rights which are not yet vested shall be dealt with, including, without restriction, accelerating their vesting and deeming that the performance objectives have been achieved.
Changes in Capital Structure	The Performance Share Plan and individual grant terms and conditions are subject to adjustment in the event of a split, consolidation or certain distributions of Common Shares and upon a capital reorganization, reclassification or change of the Common Shares, a corporate reorganization or combination of the Corporation with another corporation or a sale, lease or exchange of all or substantially all of the assets of the Corporation.

The following table summarizes the historical performance share right grant dates for Year 2012, 2013 and 2014, the number of performance share rights (identified below as “PSRs”) granted to the Named Executive Officers each such year and the performance objectives thereof:

GRANT DATES	VESTING DATES	PERFORMANCE OBJECTIVES AND NUMBER OF PSRS FOR EACH GRANT		
April 10, 2012	Dec. 31, 2014	TRIGGER: IF TSR⁽¹⁾ OVER 6% AND LOWER THAN 10% # OF PSRS	TARGET: IF TSR⁽¹⁾ EQUALS 10% # OF PSRS	MAXIMUM: IF TSR⁽¹⁾ OVER 10% UP TO AND INCLUDING 18% # OF PSRS
March 14, 2013	Dec. 31, 2015			
April 27, 2014	Dec. 31, 2016			
Michel Letellier		10,861 to 18,099	18,100	18,101 to 27,150
Jean Perron		4,201 to 6,999	7,000	7,001 to 10,500
Jean Trudel		4,201 to 6,999	7,000	7,001 to 10,500
François Hébert		3,301 to 5,499	5,500	5,501 to 8,250
Renaud De Batz de Trenquelléon		3,301 to 5,499	5,500	3,301 to 5,499

- (1) The TSR equals the average of the total annual return during the three-year period beginning on January 1 of the grant year and ending on December 31 of the second following year, being: $TSR\ 3\ years = [TSR\ year\ one + TSR\ year\ two + TSR\ year\ three] / 3$. The TSR for a given year equals: (all reinvested per-share dividends declared on Common Shares during the given year + the variation of the Common Share Price between the end and the beginning of the year) / Common Share Price at the beginning of the year.

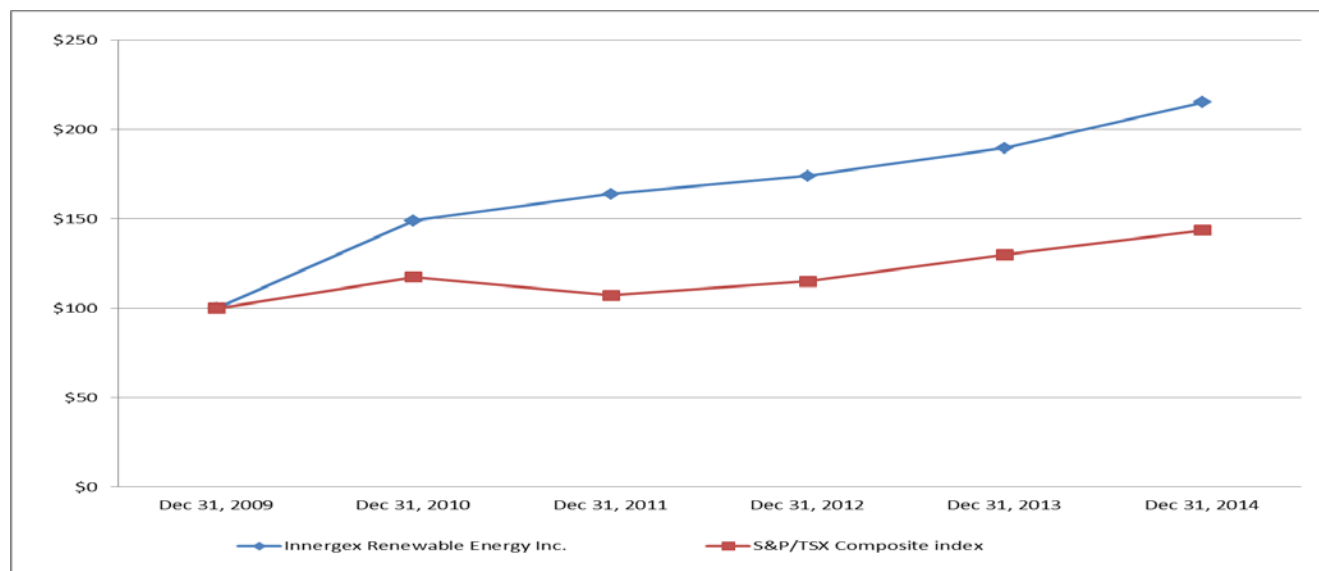
In 2015, the Board of Directors has modified the Performance Share Plan performance objectives, commencing with grants made in 2015, in order to align vesting with both absolute and relative TSR objectives. The performance objectives for the 2015 performance share rights grant are composed of a mix of two targets: 50% based on the absolute average three-year TSR of the Corporation and the other 50% based on the average ranking of the Corporation within the TSR Performance Group for the same three-year period as follows:

2015 PSR GRANT OBJECTIVES	TRIGGER	TARGET	MAXIMUM
Weighing for 50% of the grant	If TSR ⁽¹⁾ over 5% and lower than 9% 50% to 99%	If TSR ⁽¹⁾ equals 9% 100%	If TSR ⁽¹⁾ over 9% up to and including 14% 101% to 150%
Weighing for 50% of the grant	If ranking R-13 to R-9 ⁽²⁾ 30% to 86%	If ranking R-8 ⁽²⁾ 100%	Ranking over R-7 to R-4 or higher ⁽²⁾ 125% to 200%

- (1) The TSR equals the average of the total annual return during the three-year period beginning on January 1 of the grant year and ending on December 31 of the second following year, being: $TSR\ 3\ years = [TSR\ year\ one + TSR\ year\ two + TSR\ year\ three] / 3$. The TSR for a given year equals: (all reinvested per-share dividends declared on Common Shares during the given year + the variation of the Common Share Price between the end and the beginning of the year) / Common Share Price at the beginning of the year.
- (2) “R” refers to the ranking position of the Corporation from the 1st to the 16th position within the TSR Performance Group, R-1 being the highest position.

Performance Graph

The following graph compares, over the last five years ending December 31, 2014, the cumulative TSR of the Corporation (based on a \$100 investment at the end of 2009 and taking into account retroactively the conversion rate of 1.46 applied upon the Arrangement), to the TSR of the S&P/TSX Composite Index (the “Index”) for such period.



	Dec 31, 2009	Dec 31, 2010	Dec 31, 2011	Dec 31, 2012	Dec 31, 2013	Dec 31, 2014
Innergex Renewable Energy Inc.	\$100.00	\$149.12	\$164.03	\$174.18	\$189.71	\$215.36
Annual variation		49.1%	10.0%	6.2%	8.9%	13.5%
S&P/TSX Composite Index	\$100.00	\$117.61	\$107.36	\$115.08	\$130.03	\$143.75
Annual variation		17.6%	-8.7%	7.2%	13.0%	10.6%

The trend set forth in the Performance Graph of the Corporation for the shareholders’ return shows an increase in 2010, corresponding with an improvement in market conditions. The increase continued in 2011 with a gain of 18.7% over the Index and continued increasing in 2012 with a 6.2% gain while the Index increased by 7.2%. In 2013, the shareholders’ return of the Corporation gained 8.9% while the Index increased by 13%. In 2014, the aggregate compensation of the Named Executive Officers increased by 13.6% compared with the shareholders’ return of 13.5% for the Corporation while the Index increased by 10.6%.

Employment Agreements

Each of the Named Executive Officers entered into an employment agreement with the Corporation (the “**Employment Agreements**”) at the time of the Corporation’s initial public offering which was completed on December 6, 2007. Each Employment Agreement has an indeterminate term.

The Employment Agreements of the President and Chief Executive Officer, the Chief Financial Officer and the Chief Investment Officer contain change of control arrangements. The overall purpose of these change of control arrangements is to (i) ensure the continued dedication of the executive, notwithstanding the possibility, threat or occurrence of a change of control of the Corporation; (ii) diminish any distraction of the executive resulting from the uncertainties and risks created by a pending or threatened change of control of the Corporation; and (iii) provide the executive with compensation and benefit arrangements upon a change of control of the Corporation that are competitive with those of comparable companies.

Termination and Change of Control Benefits

If the Corporation terminates the employment of a Named Executive Officer without cause, or if one of the President and Chief Executive Officer, Chief Financial Officer or the Chief Investment Officer terminates his employment for Good and Sufficient Reason (as defined hereafter), the Employment Agreements provide that the Corporation must continue to pay the individual his base salary for a period of 12 to 36 months following termination and any vested and unvested options held by the Named Executive Officer must be exercised within 90 days of the termination of employment. Good and sufficient reason includes (a) if he is not appointed or reappointed as an executive officer of

the Corporation, (b) if the Corporation ceases its activities in the normal course of business, (c) if the Corporation significantly modifies the functions and responsibilities of the executive officer, (d) if the Corporation reduces or fails to pay base salary or other benefits of the executive officer or (e) the employment conditions are modified in a bankruptcy or insolvency context. From the date of such termination, the Corporation is discharged from paying any group insurance premiums, contributions to RRSPs and car allowance for the Named Executive Officer. In addition, if the Corporation terminates the employment of the President and Chief Executive Officer, Chief Financial Officer or the Chief Investment Officer for any reason, other than for cause, within one year following a change of control of the Corporation or if one of them terminates his employment for any reason within one year following a change of control of the Corporation (“**Good and Sufficient Reason**”), the Employment Agreements also provide that they will be entitled to the severance payments and the vesting of all outstanding options as described above.

Moreover, in the event of a change of control of the Corporation, pursuant to the Performance Share Plan, the Board may decide, as it considers necessary or equitable, the manner in which all the performance share rights not yet vested shall be dealt with, including, without restriction, accelerating their vesting and deeming achievement of the performance objectives.

The following table shows estimated incremental payments, payables and benefits that are triggered by a termination of employment of the Named Executive Officers in the circumstances described above, with and without a change of control.

NAME	POSITION	CALCULATION FORMULA ⁽¹⁾⁽²⁾	TERMINATION PROVISIONS VALUE	CHANGE OF CONTROL PROVISIONS VALUE
MICHEL LETELLIER	President and Chief Executive Officer	Base Salary of \$475,000 x 3 Plus \$1,104,378 (value of unexercised in-the-money options ⁽³⁾)	\$2,529,378	\$2,529,378
JEAN PERRON	Chief Financial Officer	Base Salary of \$265,290 x 3 Plus \$561,568 (value of unexercised in-the-money options ⁽³⁾)	\$1,357,438	\$1,357,438
JEAN TRUDEL	Chief Investment Officer	Base Salary of \$254,190 x 3 Plus \$561,568 (value of unexercised in-the-money options ⁽³⁾)	\$1,324,138	\$1,324,138
FRANÇOIS HÉBERT	Senior Vice President – Operations and Maintenance	Base Salary of \$231,000 x 1 Plus \$463,606 (value of unexercised in-the-money options ⁽³⁾)	\$694,606	— ⁽⁴⁾
RENAUD DE BATZ DE TRENQUELLÉON	Senior Vice President – Hydroelectric Projects Management	Base Salary of \$195,700 x 1 Plus \$471,006 (value of unexercised in-the-money options ⁽³⁾)	\$666,706	— ⁽⁴⁾

(1) The termination values assume that the triggering event (termination without cause by the Corporation or termination by the Named Executive Officer for good and sufficient reason) occurred on December 31, 2014. The change of control values assume that the triggering event (termination by the Corporation for any reason, other than for cause or termination by the Named Executive Officer for any reason) occurred on December 31, 2014, being within one year of the change of control.

(2) No change of control provision value is accounted for in the performance share rights as they are subject to the discretion of the Board.

(3) All the options granted were in the money.

(4) François Hébert and Renaud De Batz de Trenquelléon do not have Change of Control Provisions in their employment agreements; therefore, the Calculation Formula only applies to the Termination Provisions Value.

Pursuant to the Employment Agreements, the Named Executive Officers are also subject to non-competition covenants for a period of 24 months for the President and Chief Executive Officer, the Chief Financial Officer and the Chief Investment Officer, and of 12 months for the other Named Executive Officers, following the termination, for any reason, of the Named Executive Officer’s employment with the Corporation. The Employment Agreements also include non-solicitation covenants of the Named Executive Officers which apply throughout the Named Executive Officers’ employment with the Corporation and for a period of two years following the termination, for any reason, of such employment.

Equity-Based Incentive Plan Awards

The following table sets forth details of options to purchase Common Shares and performance share rights granted to Named Executive Officers and which are outstanding as at December 31, 2014.

GRANT YEAR	OPTION-BASED AWARDS				SHARE-BASED AWARDS		
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE (\$)	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS (\$)	NUMBER OF SHARES OR UNITS THAT HAVE NOT VESTED ⁽¹⁾	MARKET OR PAYOUT VALUE OF THE SHARE-BASED AWARD THAT HAVE NOT VESTED ⁽²⁾ (\$)	MARKET OR PAYOUT VALUE OF VESTED SHARE-BASED AWARDS NOT PAID OUT OR DISTRIBUTED (\$)
MICHEL LETELLIER							
2007	282,000	11.00	Dec. 6, 2017	101,520	–	–	–
2010	157,920	8.75	June 22, 2020	412,171	–	–	–
2011	157,920	9.88	Nov. 17, 2018	233,721	–	–	–
2012	108,500	10.70	Nov. 15, 2019	71,610	–	–	–
2013	108,500	9.13	Nov. 4, 2020	241,955	18,100	231,210	–
2014	108,500	10.96	Nov. 20, 2021	43,400	18,100	217,491	–
JEAN PERRON							
2007	94,000	11.00	Dec. 6, 2017	33,840	–	–	–
2010	94,752	8.75	June 22, 2020	247,302	–	–	–
2011	95,000	9.88	Nov. 17, 2018	140,600	–	–	–
2012	42,500	10.70	Nov. 15, 2019	28,050	–	–	–
2013	42,500	9.13	Nov. 4, 2020	94,775	7,000	89,418	–
2014	42,500	10.96	Nov. 20, 2021	17,000	7,000	84,113	–
JEAN TRUDEL							
2007	94,000	11.00	Dec. 6, 2017	33,840	–	–	–
2010	94,752	8.75	June 22, 2020	247,302	–	–	–
2011	95,000	9.88	Nov. 17, 2018	140,600	–	–	–
2012	42,500	10.70	Nov. 15, 2019	28,050	–	–	–
2013	42,500	9.13	Nov. 4, 2020	94,775	7,000	89,418	–
2014	42,500	10.96	Nov. 20, 2021	17,000	7,000	84,113	–
FRANÇOIS HÉBERT							
2007	94,000	11.00	Dec. 6, 2017	33,840	–	–	–
2010	78,960	8.75	June 22, 2020	206,085	–	–	–
2011	80,000	9.88	Nov. 17, 2018	118,400	–	–	–
2012	32,000	10.70	Nov. 15, 2019	21,120	–	–	–
2013	32,000	9.13	Nov. 4, 2020	71,360	5,500	70,257	–
2014	32,000	10.96	Nov. 20, 2021	12,800	5,500	66,088	–
RENAUD DE BATZ DE TRENQUELLÉON							
2007	94,000	11.00	Dec. 6, 2017	33,840	–	–	–
2010	78,960 ⁽³⁾	8.75	June 22, 2020	206,085	–	–	–
2011	85,000	9.88	Nov. 17, 2018	125,800	–	–	–
2012	32,000	10.70	Nov. 15, 2019	21,120	–	–	–
2013	32,000	9.13	Nov. 4, 2020	71,360	5,500	70,257	–
2014	32,000	10.96	Nov. 20, 2021	12,800	5,500	66,088	–

(1) The number of shares stated in this table represents the number of shares that would be vested to the Named Executive Officers if the stated target financial performance being based on the average TSR over a three-year period is achieved at the end of the three-year vesting period which number of shares may vary from 0% to 150% for the grants of year 2013 and 2014. See the Equity-Based Incentive Plan sections.

(2) The value of the performance share rights includes the Common Share price which was at \$11.36 at close of market on December 31, 2014 plus the reinvested dividend accrued on each share from January 1 of their respective grant year. The payouts are made in shares, so the value goes up and down based on stock price performance from the beginning of the grant. On the vesting date, each performance share right entitles its holder to one share of the Corporation with all the dividends accrued thereon from the grant date, such dividends being paid in cash, in shares or in a combination of both at the sole discretion of the Corporation.

(3) In the first quarter of Fiscal 2015, Renaud De Batz de Trenquelléon exercised 45,000 options at \$8.75. Therefore, as of the date of this Circular he holds 33,960 outstanding options at \$8.75.

Incentive Plan Awards – value vested or earned during the year

The following table summarizes, for each of the Named Executive Officers, the value of options and performance shares vested during Fiscal 2014 and the value of executive performance bonus earned during Fiscal 2014.

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR (\$)	PERFORMANCE SHARE RIGHTS – VALUE VESTED DURING THE YEAR ⁽¹⁾ (\$)	NON-EQUITY INCENTIVE PLAN – VALUE EARNED DURING THE YEAR ⁽²⁾ (\$)
MICHEL LETELLIER	219,255	232,019	450,528
JEAN PERRON	115,316	89,731	177,468
JEAN TRUDEL	115,316	89,731	170,475
FRANÇOIS HÉBERT	93,937	70,503	144,158
RENAUD DE BATZ DE TRENQUELLÉON	95,787	70,503	122,128

(1) Value is based on the Common Share price which was at \$11.36 at close of market on December 31, 2014. Payments were made in Common Shares in the first quarter of Fiscal 2015.

(2) For more details, see "Performance Bonus" above.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as at December 31, 2014, certain information with respect to the Stock Option Plan, being the only compensation plan of the Corporation pursuant to which equity securities of the Corporation are authorized for issuance from the treasury.

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS
<i>Equity compensation plans approved by securityholders⁽¹⁾</i>	3,470,684	\$10.07	510,535
<i>Equity compensation plans not approved by securityholders</i>	–	–	–
Total	3,470,684	\$10.07	510,535

(1) For more information regarding the Stock Option Plan, please refer to the section "Equity-Based Incentive Plan - Stock Option Plan" above.

OTHER KEY COMPENSATION POLICIES OF THE CORPORATION

Recoupment Policy: The Board of Directors adopted an Executive Incentive Compensation Recoupment Policy providing for the Corporation's recoupment of certain incentive compensation paid to senior executive officers under certain circumstances concerning incentives made after March 15, 2012. In cases of a material restatement of financial results where a senior executive officer's fraud or wilful violation of applicable laws, rules and regulations or the Corporation's policy has caused the restatement (the "**Recoup Officer**"), the Board (i) may determine to recoup the Recoup Officer's incentive compensation which was paid or vested, net of income tax retained, based upon the achievement of certain financial results, to the extent that the amount of such compensation would have been lower if the financial results had been properly reported and (ii) may seek to cancel equity awards where the financial results of the Corporation were considered in granting such awards. Recoupment applies only to those senior executive officers who engaged in, participated in or voluntarily ignored fraudulent activity or misconduct that led to a material restatement of the Corporation's financial statement being required.

No Hedging: The Named Executive Officers and the directors of the Corporation are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in the market value of equity securities of the Corporation granted as compensation or held, directly or indirectly.

Minimum Shareholding by Officers of the Corporation: The Board of Directors adopted a minimum shareholding requirement for the officers of the Corporation. It provides that:

- the President and CEO shall acquire and maintain, until twelve month after he retires, a number of Common Shares having an investment value equal to at least three times his annual base salary
- the other executive positions shall not sell or otherwise dispose of any, net of tax, Common Shares of the Corporation he holds until he owns an investment value equal to:
 - for Chief positions - at least two times his annual base salary
 - for Senior Vice President positions - at least one and a half time his annual base salary
 - for Vice President positions - at least one time his annual base salary

The investment in Common Shares is valued under this Policy at the closing price of the Common Shares at the end of the preceding fiscal year. Compliance by Officers of the Corporation with the minimum shareholding requirement is reviewed by the Secretary and reported to the Board on a regular basis. As at December 31, 2014, all Officers were in compliance with this policy.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Corporation's directors or officers is indebted to the Corporation (other than "routine indebtedness" under Canadian securities laws).

STATEMENT OF CORPORATE GOVERNANCE

Under the rules of the Canadian Securities Administrators, the Corporation is required to disclose information relating to its system of corporate governance with reference to certain standards adopted by the Canadian Securities Administrators. The Corporation's disclosure addressing each of these standards is set out in Schedule "B" of this Circular.

AUDIT COMMITTEE INFORMATION

Reference is made to *Audit Committee Disclosure* of the Annual Information Form of the Corporation for the financial year ended December 31, 2014 for disclosure of information relating to the Audit Committee required under *Regulation 52-110 Respecting Audit Committees* under the *Securities Act* (Québec) as well as to Schedule "B" of this Circular describing the Corporation's corporate governance practices. A copy of the Annual Information Form of the Corporation can be found on SEDAR at www.sedar.com or by contacting the Secretary of the Corporation, at 1111 St-Charles Street West, East Tower, Suite 1255, Longueuil, Province of Québec, J4K 5G4 or at ntheberge@innergex.com.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation provides insurance for the benefit of its directors and officers against liability that may be incurred by them in these capacities. For Fiscal 2014, the Corporation paid a total annual premium of \$145,578 (tax included), which premium was not specifically allocated among the directors as a group and officers as a group. Such insurance was limited to an amount of \$40 million and was subject to a general deductible of \$100,000 per loss, as well as specific exclusions, which are usually contained in policies of this nature.

Six-year run-off insurance policies were obtained, as of March 29, 2010 and ending March 28, 2016, for all former trustees of the Trust and directors of the Corporation for potential liability incurred prior to the Arrangement.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer or shareholder who beneficially owns or exercises control or direction over, directly or indirectly, more than 10% of the outstanding Common Shares or any director or officer of any such person, has or had, since January 1, 2014, any material interest, direct or indirect, in any transaction or in any proposed transaction, that has materially affected or will materially affect the Corporation.

However, 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 run-of-river hydroelectric projects located in British Columbia. This financing was arranged through a competitive selection process by the Manufacturers Life Insurance Company, as agent, with a syndicate of lenders which included, *inter alia*, Caisse de dépôt et placement du Québec. To the knowledge of the directors and executive officers of the Corporation, Caisse de dépôt et placement du Québec held, on March 31, 2015, 10,753,587 Common Shares of the Corporation representing 10.64% of the issued and outstanding Common Shares.

SHAREHOLDER PROPOSALS FOR 2016 ANNUAL MEETING

The final date for submitting shareholder proposals for the 2016 Annual Meeting of the Corporation is January 9, 2016, being the date which is 90 days before the anniversary date of the Corporation's notice to shareholders in connection with the Meeting.

ADDITIONAL INFORMATION

Financial information related to the Corporation is provided in the Corporation's comparative financial statements and Management's Discussion and Analysis thereon for Fiscal 2014. Copies of the Corporation's Annual Information Form for Fiscal 2014, the audited consolidated financial statements of the Corporation for Fiscal 2014, together with a report of the auditor thereon, the Management's Discussion and Analysis of the Corporation's financial condition and results of operations for Fiscal 2014 and this Circular will be available upon request to the Secretary of the Corporation and on the website of the Corporation at www.innergex.com. These documents are also available on SEDAR at www.sedar.com.

APPROVAL

The content of this Circular has been approved by the Board of the Corporation.

DATED as of the 8th day of April, 2015.

By order of the Board of **INNERGEX RENEWABLE ENERGY INC.**

(s) Nathalie Th  berge

Nathalie Th  berge
Vice President – Corporate Legal Affairs and
Secretary

SCHEDULE "A"

CHARTER OF THE HUMAN RESOURCES COMMITTEE

This Charter prescribes the role of the Human Resources Committee (the "Committee") of the Board 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. This Charter is not intended to limit, enlarge or change in any way the responsibilities of the Committee as determined by such Articles and By-Laws and 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 primarily as follows:

- (i) Review the senior management compensation policies and/or practices followed by the Corporation and seek to ensure such policies are designed to recognize and reward performance and establish a compensation framework, which is industry competitive and which results in the creation of shareholder value over the long-term;
- (ii) Review the succession planning process for the senior management team;
- (iii) Assess the overall human resources management such as turnover, training, satisfaction, etc.; and
- (iv) Review the Board and its Committees' compensation.

Nothing contained in this Charter is intended to require the Committee to ensure the Corporation's compliance with applicable laws or regulations.

2. Composition

2.1 Number and criteria

The Committee is comprised of such Directors as are determined by the Board, all of who must be independent (as that term is defined in Regulation 52-110 – Respecting Audit Committees) and who must have direct experience which is pertinent to their responsibilities relating to executive compensation.

The Committee consists of at least three members.

2.2 Selection and Chair

The members of the Committee and its Chair shall be elected by the Board on an annual basis after the shareholders' annual meeting at which the directors are elected, or until their successors are duly elected. 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 electing 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 the Chair shall receive such remuneration for their services as the Board may determine from time to time.

2.4 Term Limit

No person shall serve on the Committee for a period of more than six consecutive years, unless the Board shall, on a particular case, specifically determine to make exception from such limitation.

3. Meetings

The Committee should meet at least twice annually or more frequently as circumstances require.

A 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.

The Committee may ask members of Management or others to attend meetings or to provide information as necessary. The Committee shall have full access to all information it deems appropriate for the purpose of fulfilling its role.

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 Chairman of the Board, the President and Chief Executive Officer, the Chief Financial Officer or the Corporate Secretary of the Corporation shall be entitled to request that any member of the Committee call a meeting.

The Committee should determine any desired agenda items.

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

4. Responsibilities

The Committee's primary responsibility is to submit to the full Board, recommendations concerning director and executive compensation and compensation plan matters. The Committee shall only make recommendations to the Board for their consideration and approval, if appropriate. The Board will have the responsibility to instruct Management to implement the Board's directives.

The Committee shall, inter alia:

- Ensure that base salaries are competitive relative to the industry and that bonuses, if any, reflect individual performance in the context of the overall performance of the Corporation. Overall performance should be measured by issues such as profitability, share price, distributions and initiatives being undertaken in the year, which should provide future shareholder benefit;
- Review corporate goals and objectives relevant to the President and Chief Executive Officer and other senior management positions;
- Evaluate the President and Chief Executive Officer performance in light of the corporate goals and objectives;
- Review and recommend to the Board the compensation of the members of the Board, including annual retainer, meeting fees, stock option plan participation and other benefits conferred upon the directors and any compulsory share ownership policy for Board members and members of the senior management team, if considered appropriate;
- Review and recommend to the Board for approval the compensation of the President and Chief Executive Officer based on the evaluation of his performance;
- Review the annual compensation package of the other Corporation's senior management;
- Oversee the administration of the Corporation's compensation plans for senior management, including equity-based plans, incentive compensation plans, annual bonuses and such other compensation plans or structures as are adopted by the Board from time to time;
- Oversee the risks associated with the Corporation's compensation policies and practices;
- Ensure that appropriate mechanisms are in place regarding succession planning for the position of President and Chief Executive Officer and other senior management positions;
- Assess overall human resources management; and
- Review and recommend to the Board for approval, any public disclosure of information relating to the compensation of the Corporation's senior management, including the information to be disclosed and the compensation discussion and analysis to be incorporated in the annual management information circular.

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 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 the Corporate Governance Committee (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.

SCHEDULE “B”

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Regulation 52-110 Respecting Audit Committees includes requirements regarding audit committee composition and responsibilities, as well as reporting obligations with respect to audit-related matters (such regulation, as amended, the “**CSA Audit Committee Rules**”). The Corporation complies with these rules and appropriate disclosure is made, where applicable, in connection therewith in the following table.

Regulation 58-101 Respecting Disclosure of Corporate Governance Practices (the “**CSA Disclosure Instrument**”) requires issuers to make prescribed disclosure regarding their governance practices and National Policy 58-201 – *Effective Corporate Governance* (the “**CSA Governance Policy**”) provides guidance on governance practices to Canadian issuers. The disclosure made hereunder refers to the items of the CSA Disclosure Instrument.

The Corporation’s 2014 Annual Information Form, which may be obtained on request from the Corporate Secretary of the Corporation or on SEDAR at www.sedar.com, also contains information pertaining to corporate governance.

The Corporation is dedicated to enhancing its corporate governance practices on an ongoing basis in order to respond to the evolution of best practices.

GUIDELINES

PRACTICES WITHIN THE CORPORATION

1. Board of Directors

- (a) Disclose the identity of directors who are independent.

The Board of Directors of the Corporation (the “**Board**”) has reviewed the independence of each director within the meaning of the CSA Disclosure Instrument in light of the information provided by each of them and has determined, after reviewing the role and relationships of each of the directors, that six of the seven nominees proposed by the management of the Corporation (“**Management**”) for election to the Board are independent. The following nominees have been affirmatively determined to be independent by the Board:

- Jean La Couture;
- Richard Laflamme;
- Daniel L. Lafrance;
- William A. Lambert;
- Dalton McGuinty; and
- Monique Mercier

- (b) Disclose the identity of directors who are not independent, and describe the basis for that determination.

The Board has determined, after reviewing the role and relationships of each of the directors, that Michel Letellier, as President and Chief Executive Officer of the Corporation, is the sole nominee proposed by Management for election to the Board who is not independent

- (c) Disclose whether or not a majority of directors are independent.

Five of the six current directors and six of the seven nominees proposed by Management for election to the Board are independent.

- (d) If a director is currently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

Current directorships of all director nominees with other reporting issuers are described in the table set forth under the heading “Election of Directors - Nominees” of this Circular.

- (e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.
- (f) Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.
- (g) Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.

In camera sessions (Board meetings): Independent directors have the opportunity to meet at least after each meeting to discuss matters of interest without the presence of non-independent directors and members of Management and they hold such meetings after each regular meeting of the Board. Such meetings are chaired by the Chairman of the Board, Jean La Couture, who is independent within the meaning of the CSA Disclosure Instrument. Five meetings of independent directors at which non-independent directors and members of Management were not in attendance were held in Fiscal 2014.

In camera sessions (committee meetings):

All Board committees, namely the Audit Committee, the Human Resources Committee, the Corporate Governance Committee and the Nominating Committee, are composed exclusively of independent directors. The Audit Committee meets with and without, the auditor after each meeting, without members of Management being present. The Audit Committee also meets with the Chief Financial Officer without other members of Management being present. The other committees meet regularly, without members of Management being present.

Jean La Couture, as Chairman of the Board, is independent within the meaning of the CSA Disclosure Instrument.

The Chairman of the Board is responsible for (i) the management and operation of the Board and (ii) relations between the Board, the shareholders and other interested parties. He must ensure that the Board performs the tasks related to its mandate in an efficient manner, and that directors clearly understand and respect the limits between the Board's responsibilities and that of the Management of the Corporation.

Overall, the combined attendance by the directors at Board meetings in Fiscal 2014 was 97%. A record of attendance by directors at Board meetings during Fiscal 2014 is set out under the heading "Election of Directors – Record of Attendance" of this Circular.

2. Board Mandate

Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.

The Board has adopted a formal mandate for itself which is reproduced under Schedule "C" to this Circular.

3. Position Descriptions

- (a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.

The Board has developed written charters for all the committees and has developed a written position description for the Chairman of the Board and for each committee's chairperson.

The mandate of the Chairman of the Board states that he is responsible for the management and operation of the Board and relations between the Board and shareholders and other interested parties. He must ensure that the Board performs the tasks related to its mandate in an efficient manner, and that directors clearly understand and respect the limits between the Board and Management's responsibilities. The mandate of the Chairman of the Board also states that he shall provide leadership to enhance Board effectiveness.

The mandate of each committee's chairperson provides that each committee chairperson's key role is to manage his respective committee and ensure that the committee carries out its mandate effectively. Like the Chairman of the Board, each committee chairperson is expected to provide leadership to enhance committee effectiveness and must oversee the committee's discharge of its responsibilities. Committee chairpersons must report regularly to the Board on the businesses of their respective committees.

- (b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.

The Board has developed a written position description for the President and Chief Executive Officer.

The Board has delegated to the President and Chief Executive Officer and his management team the responsibility for the day-to-day management while respecting the Corporation's strategic plans, operational agenda, corporate policies and financial limits approved from time to time by the Board.

The Board expects to be advised, on a regular basis, as to the results being achieved, and to be presented, for approval, with alternative plans and strategies proposed to be implemented, in keeping with evolving conditions. Furthermore, the Board expects the President and Chief Executive Officer and his management team to review the Corporation's strategies, carry out a comprehensive budgeting process, monitor the Corporation's performance against the budget and identify opportunities and risks affecting the Corporation and find ways to deal with them. Performance of the President and Chief Executive Officer and his management team will be assessed against the achievement of strategic objectives and budget and the financial performance of the Corporation. See "Executive Compensation".

In addition to those matters which by law must be approved by the Board, or a committee of the Board to which approval authority has been delegated by the Board, Board approval is required for all matters of policy and all actions proposed to be taken by the Corporation which are not in the ordinary course of business. In particular, the Board approves major capital expenditures, all material transactions and the appointment of all officers.

4. Orientation and Continuing Education

- (a) Briefly describe what measures the Board takes to orient new directors regarding
- (i) the role of the Board, its committees and its directors; and
 - (ii) the nature and operation of the issuer's business.
- (b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skills and knowledge necessary to meet their obligations as directors.

In addition to having extensive discussions with the Chairman of the Board and the President and Chief Executive Officer with respect to the business and operations of the Corporation, new directors are provided with extensive information on the Corporation's business, its strategic and operational business plans, its corporate objectives, its operating performance, its corporate governance system and its financial position. Also, they meet individually with members of senior management. The Board further ensures that director nominees fully understand the role of the Board and its committees and the contributions that individual directors are expected to make.

Presentations are made by Management and outside consultants to the Board from time to time to educate and keep Board members informed of changes within the Corporation and of regulatory and industry requirements and standards.

In 2014, the Board members participated together to two training sessions with respect to upcoming changes to shareholder protection rights and to investors' performance. The Audit Committee received training from a Canadian Public Accountability Board representative on new requirements for auditors' assessment and the Human Resources Committee was provided with a presentation with regard to long-term incentive program trends.

Visits to the facilities of the Corporation are also organized for the directors by the Corporation, upon request. Moreover, the Corporation subscribes to a global membership for the Board of Directors with the Institute of Corporate Directors. This membership ensures that its directors benefit from and have access to quality up-to-date information, tools and training to meet their obligations as directors.

5. Ethical Business Conduct

- (a) Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:
- (i) disclose how a person may obtain a copy of the code;
 - (ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and

The Corporation has adopted a written Code of Conduct which was updated in 2014 and which applies to each employee, director and officer of the Corporation, the purpose of which is to provide guidelines to ensure that the Corporation's reputation for integrity and good corporate citizenship is maintained through the adherence to high ethical standards and complied with by all of those individuals.

- (i) The Corporation's Code of Conducts is available on SEDAR at www.sedar.com and a copy is remitted to any new employee and is made available to all employees via the intranet and upon request to the Corporate Secretary.
- (ii) The Board, through its Corporate Governance Committee, reviews the implementation of and compliance with the Code of Conduct. In this respect, it receives regular reports from the Vice President – Corporate Legal Affairs and Secretary and written declarations as to any complaints received pursuant to the Code of Conduct.

- (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.
- (b) Describe any steps the Board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.
- (c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.

- (iii) None.

Our Code of Conduct clearly states that directors and officers should avoid and disclose any situation that could potentially create any conflicts of interest. The Board can and does exercise independent judgement. The Board monitors the disclosure of conflicts of interest by directors and ensures that no director will vote or participate in a discussion on a matter in respect of which such director has a material interest.

At the request of the Board, the employees of the Corporation received training sessions given by the Vice President – Corporate Legal Affairs and Secretary on the Code of Conduct and related policies and all directors, executive officers and active employees have to sign the Code of Conduct. The Board promotes a business environment where employees are encouraged to report malfeasance, irregularities and other concerns. The Board has also adopted a whistle-blowing procedure with respect to the submission by employees of concerns regarding, *inter alia*, questionable accounting or auditing matters and an Executive Incentive Recoupment Policy providing for the recoupment of certain incentive compensation paid to senior executive officers under certain circumstances.

6. Nomination of Directors

- (a) Describe the process by which the Board identifies new candidates for Board nomination.
- (b) Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.

The Nominating Committee is responsible for identifying and recommending to the Board suitable nominees for election to the Board. Recruiting will be based on the skills and experience of the candidates in relation with the needs of the Corporation and the adequacy of the time commitment of individuals to the Corporation's matters. To that effect, the Board has developed a skill matrix as further described under the heading "Election of Directors – Skill Matrix" of this Circular. In addition, the Nominating Committee must comply with the Policy Regarding the Representation of Women on the Board. Finally, each director will have the ability to interview new candidates and final decisions will be made at Board meetings.

All five members of the Nominating Committee, namely Jean La Couture (Chairman), John A. Hanna, Richard Laflamme, William A. Lambert and Daniel L. Lafrance, are independent.

The Nominating Committee of the Corporation has the responsibility of reviewing the composition of the Board, establishing, where appropriate, qualifications for directors and procedures for identifying possible nominees, proposing new nominees for appointment to the Board where applicable and providing orientations to new Board members.

- (c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The charter of the Nominating Committee is available on the Corporation's website at www.innergex.com.

7. Compensation

- (a) Describe the process by which the Board determines the compensation for the issuer's directors and officers.

The process by which the Board determines the compensation of the Corporation's officers is described under section "Compensation of Named Executive Officers" of this Circular.

The process by which the Board determines the compensation of the Corporation's directors and the information on compensation received by the directors of the Corporation is described under section "Compensation of Directors" of this Circular.

- (b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.

All members of the Corporate Governance Committee and the Human Resources Committee are independent. In the opinion of the Board, this ensures an objective process for making recommendations to the Board with respect to compensation. Furthermore, the Board, of which five of the six current directors and six of the seven proposed nominees are independent, retains the ultimate responsibility for making decisions relating to compensation, thus ensuring an objective process. The charter of the Human Resources Committee and the charter of the Corporate Governance Committee are available on the Corporation's website at www.innergex.com.

- (c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The Human Resources Committee has the responsibility of, *inter alia*, reviewing the Board compensation (prior to February 2015, this was the responsibility of the Corporate Governance Committee) and the senior management compensation policies and/or practices. The responsibilities, powers and operation of the Human Resources Committee are further disclosed under section "Compensation Governance" of this Circular.

8. Other Board Committees

If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board has four standing committees, being the Audit Committee, the Corporate Governance Committee, the Human Resources Committee and the Nominating Committee, and has no other permanent standing committee.

9. Assessments

Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.

The Corporate Governance Committee has received the mandate to ensure that a process is in place for the annual review of the contribution and qualification of individual directors, the performance and effectiveness of the Board as a whole and the Board committees. The Corporate Governance Committee reviews and approves a performance evaluation questionnaire that is forwarded annually by such committee's chair to directors. The questionnaires and guideline for discussions cover a wide range of issues and allows for comments and suggestions and covers both Board and Board committees, as well as individual performance. The Chairman of the Board compiles responses and contacts each director, when deemed necessary, to discuss the Board and Board committee evaluations as well as individual directors' performance, including that of the Board and committee chairs. The Chairman of the Board then reports the results to the Board. This formal evaluation process takes place on an annual basis.

The most recent annual evaluation, which was conducted in the second quarter of Fiscal 2014, showed that the Board, its committees, committee chairs and individual directors were effectively fulfilling their responsibilities.

10. Director Term Limits and Other Mechanisms of Board Renewal

Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

The Charter of the Board of Directors provides that any director who has reached 72 years of age or has served on the Corporation's Board for a period of 15 years or more (the "**Retirement Time**") must tender his resignation to the Board on or before February 1 following the occurrence of the Retirement Time. The Board may, at its discretion, decide to accept the resignation or offer such director to continue to sit on the Board beyond the Retirement Age provided, however, that such extension shall not exceed one year. These limits do not apply to a director who is also a member of the Corporation's Management.

11. Policies Regarding the Representation of Women on the Board

- (a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.
- (b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:
 - (i) a short summary of its objectives and key provisions,
 - (ii) the measures taken to ensure that the policy has been effectively implemented,
 - (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and
 - (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy

The Corporation adopted a written policy relating to the identification and nomination of women directors.

The purpose of its Policy Regarding Representation of Woman on the Board is to foster gender diversity on the Board of Directors.

The Nomination Committee is responsible for identifying and assessing potential candidates for nomination to the Board of Directors of the Corporation. To that effect, (i) in order to fill any vacancies created at the Board level, the best potential available candidates are identified, assessed and selected in order to enrich the Board with complementary skill sets and experience as identified in the Corporation's Skill Matrix and (ii) in order to increase the number of women on the Board of Directors when identifying and assessing potential new candidates to fill any vacancies, the Nominating Committee will strive to ensure that at least 50% of the final potential new candidates to be recommended for consideration by the Board of Directors are women.

The Nominating Committee reports to the Board with respect to the process of identification and selection of new candidates in order to ensure that the Policy is implemented effectively. No measure of effectiveness of the Policy has been deployed.

12. Consideration of the Representation of Women in the Director Identification and Selection Process

Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.

The purpose of the Policy Regarding Representation of Woman on the Board is to foster gender diversity on the Board of Directors when identifying and selecting new candidates for election to the Board.

13. Consideration Given to the Representation of Women in Executive Officer Appointments

Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

The Corporation values diversity of gender, race, nationality, and other attributes, and is committed to supporting the increase of women in leadership positions. However, with a view to fostering diversity, the Corporation does not believe that targets are the right approach. The Corporation's first criteria in selecting candidates to an executive position is based on primary considerations such as experience, skill and ability.

However, while neither a written policy nor targets relating to the identification and nomination of women executive have been adopted to date and the emphasis in filling vacancies has been finding the best qualified candidates given the needs and circumstances of the Corporation, a nominee's diversity of gender, race, nationality, age, experience and other attributes has and will be considered favorably in the assessment of officer nominees.

14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

- (a) For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.
- (b) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.
- (c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.
- (d) If the issuer has adopted a target referred to in either (b) or (c), disclose:
- (i) the target, and
 - (ii) the annual and cumulative progress of the issuer in achieving the target.

The Corporation values diversity of gender, race, nationality, and other attributes, and is committed to supporting the increase of women at Board level. However, with a view to fostering diversity, the Corporation does not believe that targets are the right approach.

The Corporation values diversity of gender, race, nationality, and other attributes, and is committed to supporting the increase of women in leadership positions. However, with a view to fostering diversity, the Corporation does not believe that targets are the right approach.

The Corporation has not adopted a target referred to in either (b) or (c).

15. Number of Women on the Board and in Executive Officer Positions

- (a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.
- (b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

In 2014, the Corporation had one woman (14%) and six men (86%) sitting on its board of directors until the resignation of a director in December. Since then, the Board has not filled this vacancy and there is currently no woman on the Board (0%). It should be noted that, Nominees for election to the Board are composed of one woman (14%) and six men (86%).

The executive officers team is currently composed of two women (15.4%) and 11 men (84.6%). It must be noted that the Management team is very stable, with a very low rate of turnover. In the last five years, only five new executive officers were named, including two women and three men.

REQUIREMENT UNDER THE CSA AUDIT
COMMITTEE RULES

PRACTICES WITHIN THE CORPORATION

The CSA Audit Committee Rules state that the audit committee must be composed of a minimum of three members, who must be "independent" directors (as defined in those rules).

The CSA Audit Committee Rules state that each audit committee member must be financially literate.

The CSA Audit Committee Rules state that the audit committee must have a written charter that sets out its mandate and responsibilities.

The CSA Audit Committee Rules state that the audit committee must recommend to the Board: (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer; and (b) the compensation of the external auditor.

The CSA Audit Committee Rules state that the audit committee must be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditor regarding financial reporting.

The CSA Audit Committee Rules state that the audit committee must pre-approve all non-audit services to be provided to the issuer or its subsidiary entities by the issuer's external auditor.

The CSA Audit Committee Rules state that the audit committee must review the issuer's financial statements, MD&A and annual and interim earnings press releases before the issuer publicly discloses this information. These rules also mention that the audit committee must be satisfied that adequate procedures are in place for the review of the issuer's public disclosure of financial information extracted or derived from the issuer's financial statements, other than the public disclosure referred to in the preceding sentence, and must periodically assess the adequacy of those procedures.

The Audit Committee is composed of four members, namely John A. Hanna (Chairman), Jean La Couture, Daniel L. Lafrance and William A. Lambert. The Board has determined that all members of the Audit Committee are independent within the meaning of the CSA Audit Committee Rules.

The Board has determined that all members of the Audit Committee are financially literate within the meaning of the CSA Audit Committee Rules.

The mandate of the Audit Committee, attached as Schedule B to the Annual Information Form of the Corporation and available on SEDAR at www.sedar.com, explicitly describes the role and oversight responsibilities of the Audit Committee.

The mandate of the Audit Committee provides that the Audit Committee is responsible for recommending the appointment of external auditor, its compensation, as well as reviewing and monitoring its qualification, performance and independence.

The mandate of the Audit Committee provides that the committee is responsible for reviewing the relationships between the external auditor and the Corporation, including considering the auditor's judgments about the quality, transparency and appropriateness and not just the acceptability of the Corporation's accounting principles and resolving any issues between the external auditor and Management.

The mandate of the Audit Committee states that the committee's responsibilities include pre-approving all non-audit services to be provided to the Corporation and its subsidiaries. The Audit Committee has approved a written policy on pre-approval of non-audited services.

The mandate of the Audit Committee provides that the committee is responsible for reviewing and recommending the approval of the annual and interim financial statements of the Corporation, including the Corporation's MD&A disclosure and earnings press releases, prior to their release, filing and distribution. The Audit Committee charter provides it must ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information (other than the public disclosure referred to in the preceding sentence) extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures.

REQUIREMENT UNDER THE CSA AUDIT
COMMITTEE RULES

PRACTICES WITHIN THE CORPORATION

The CSA Audit Committee Rules state that the audit committee must establish procedures for: (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

The CSA Audit Committee Rules state that the audit committee must review and approve the issuer's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.

The CSA Audit Committee Rules state that the audit committee must have the authority: (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties; (b) to set and pay the compensation for any advisors employed by the audit committee; and (c) to communicate directly with the internal and external auditors.

The charter of the Audit Committee provides that the committee must establish procedures for the receipt, retention and treatment of complaints or concerns received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

The Board has approved a whistle-blowing procedure developed by the Audit Committee with respect to the anonymous submission by employees of concerns regarding, *inter alia*, questionable accounting or auditing matters.

The charter of the Audit Committee provides that the committee is responsible for reviewing hiring policies for employees or former employees of the Corporation's firm of external auditors.

The Audit Committee's charter provides that the Audit Committee has the authority to authorize or conduct investigations into any matters that fall within its scope of responsibilities. Furthermore, the Audit Committee charter provides that the Audit Committee can engage outside advisors and communicate directly with external or internal auditors, if applicable.

SCHEDULE "C"

CHARTER OF THE BOARD OF DIRECTORS

This Charter prescribes the role of the Board of directors (the "**Board**") 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. This Charter is not intended to limit, enlarge or change in any way the responsibilities of the Board as determined by such Articles and By-Laws and applicable laws.

1. Role

The prime stewardship responsibility of the Board is to ensure the viability of the Corporation and to ensure that it is managed in the interests of the shareholders as a whole.

In addition to the powers and authorities conferred upon the directors in the Corporation's Articles and By-Laws and to the duties of the directors of a Canadian corporation as prescribed by applicable laws, the mandate of the Board is to oversee the management of the business and affairs of the Corporation with a view to evaluate, on an ongoing basis, whether the Corporation's resources are being managed in a manner consistent with enhancing shareholder value, ethical considerations and stakeholder's interests.

2. Constitution

2.1. Number

The Board shall be comprised of that number of Board members as shall be determined from time to time by the Board upon recommendation of the Corporate Governance Committee. The Corporation's Articles provide that the Board shall be composed of a minimum of 3 and a maximum of 10 directors.

2.2. Independence

A majority of the Board shall be composed of Board members who must be determined to be independent within the meaning of Regulation 52-110 – *Respecting Audit Committees*.

2.3. Criteria for Board membership

Board members must have an appropriate mix of skills, knowledge and experience in business and an understanding of the geographical areas in which the Corporation operates. Board members selected should be able to commit the requisite time for all of the Board's business.

2.4. Fiduciary duty and duty of care

Board members are expected to possess the following characteristics and traits:

- demonstrate high ethical standards and integrity in their personal and professional dealings
- act honestly and in good faith with a view to the best interests of the Corporation
- devote sufficient time to the affairs of the Corporation and exercise care, diligence and skill in fulfilling their responsibilities both as Board members and as a Committee members
- provide independent judgment on a broad range of issues
- understand and challenge the key business plans of the Corporation
- raise questions and issues to facilitate active and effective participation in the deliberations of the Board and of each Committee
- make all reasonable efforts to attend all Board and Committee meetings
- review the materials provided by management in advance of the Board and Committee meetings

In discharging their duties, Board members must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

2.5. Selection

The Board approves annually the final choice of nominees for election by the shareholders, upon recommendation by the Nominating Committee.

2.6. Chair

The Board shall appoint a Chair annually at the first meeting of the Board following the annual shareholders meeting at which the directors are elected. If the Board does not so appoint a Chair, the director who is the serving as Chair shall continue as Chair until his or her successor is appointed.

2.7. Remuneration

Members of the Board and the Chair shall receive such remuneration for their services as the Board may determine from time to time, in consultation with the Corporate Governance Committee, and which is customary for comparable corporations, having regard for such matters as time commitment, responsibility and trends in director compensation.

2.8. Retirement Time and Term Limit

Any director who has reached 72 years of age or has served on the Corporation's Board for a period of 15 years or more (the "**Retirement Time**") must tender his resignation to the Board on or before February 1 following the occurrence of the Retirement Time. The Board may, at its discretion, decide to accept the resignation or offer such director to continue to sit on the Board beyond the Retirement Age provided, however, that such extension shall not exceed one year. This paragraph does not apply to a director who is also a member of the Corporation's Management.

2.9. Maximum Number of Boards

The maximum number of public company boards of directors on which each director may sit is set at four and each member of the Board may not sit on more than two boards of directors of the same public company as another member of the Board.

3. Responsibilities

The Board establishes the overall policies for the Corporation, monitors and evaluates the Corporation's strategic direction, and retains plenary power for those functions not specifically delegated by it to its Committees or to management.

Without limiting the generality of the foregoing, the Board shall, *inter alia*:

3.1. With respect to strategic planning

- Oversee the strategic planning process and review, monitor and approve, at least annually, the Corporation's long-term strategy, taking into account, amongst other matters, business opportunities and risks.
- Approve and monitor the implementation of the Corporation's annual business plan.
- Advise the management on strategic issues.

3.2. With respect to human resources and performance assessment

- Select the President and Chief Executive Officer and, approve the appointment of other senior management executives.
- Monitor and assess the performance of the President and Chief Executive Officer and the Chief Financial Officer.
- Oversee the evaluation of the other senior management members.
- Approve the compensation of the senior management, taking into consideration Board expectations and fixed goals and objectives.
- Monitor the implementation of incentive compensation plans and equity-based plans.
- Monitor management and Board succession planning process.
- Monitor the size and composition of the Board and its Committees based on competencies, skills and personal qualities sought in Board members.
- Review annually the charters of the Board and Committees and the duties of their respective Chair.

The Board may direct the Corporate Governance Committee and/or the Human Resources Committee to consider matters contemplated in this section 3.2 and to report and make recommendations to the Board.

3.3. With respect to financial matters and internal control

- Monitor the integrity and quality of the Corporation's financial statements and the appropriateness of their disclosure.
- Review the general content of, and the Audit Committee's report on the financial aspects of, the Corporation's Annual Information Form, Annual Report, Management Proxy Circular, Management's Discussion and Analysis, prospectuses and any other document required to be disclosed or filed by the Corporation before their public disclosure or filing with regulatory authorities.
- Approve operating and capital budgets, the issuance of securities and, subject to the schedule of authority adopted by the Board, any transaction out of the ordinary course of business, including proposals on mergers, acquisitions or other major transactions such as investment or divestitures.
- Establish dividend policies and procedures.
- Take all reasonable measures to ensure that appropriate systems are in place to identify business risks and opportunities and overseeing the implementation of processes to manage these risks and opportunities.
- Monitor the Corporation's internal control and management information systems.
- Monitor the Corporation's compliance with applicable legal and regulatory requirements.
- Review at least annually the Corporation's information disclosure policy and monitor the Corporation's communications with analysts, investors and the public.
- Oversee the Whistleblower Procedures, including in respect of financial matters.

The Board may direct the Audit Committee to consider matters contemplated in this section 3.3 and to report and make recommendations to the Board.

3.4. With respect to corporate governance matters

- Take all reasonable measures to satisfy itself as to the integrity of the President and Chief Executive Officer and other executive officers and that management creates a culture of integrity throughout the Corporation.
- Review, on a regular basis, the appropriate corporate governance structures and procedures.
- Adopt and review, on a regular basis, the Corporation's Code of conduct, policies and procedures applicable to the Board and employees.
- Approve the disclosure of the Corporation's governance practices in any document before it is delivered to the shareholders and the securities regulators or filed with the Stock exchanges.
- Review on an annual basis the Charter of the Board and of each Committee of the Board.
- Adopt formal position description for the Chair of the Board, and the Chair of each Committee.
- Adopt a formal annual assessment process for the Board, as a whole, the Committees and the contributions of each director.
- Implement a continuing education program for all directors and a comprehensive orientation program for new directors;
- Assess on an annual basis the performance and effectiveness of the Board in accordance with the assessment process established by the Corporate Governance Committee.

The Board may direct the Corporate Governance Committee to consider matters contemplated in this section 3.4 and to report and make recommendations to the Board.

3.5. Other matters

- Oversee the development and implementation of, and assess and monitor, environmental, safety and security policies, procedures and guidelines, including an emergency response plan.

4. Meetings

The Board will meet at least quarterly, with additional meetings scheduled as required. Additional meetings may be held at the request of any Board member. The Chair will forward to the President and Chief Executive Officer any questions, comments or suggestions of the Board members.

In order to transact business, at least a majority of directors then in office shall be present.

The Chair will prepare, and the Corporate Secretary at the request of the Chair, will distribute, the meeting agenda and minutes to the Board.

Information and materials that are important to the Board's understanding of the agenda items and related topics are distributed in advance of a meeting. The Corporation will deliver information on the business, operations and finances of the Corporation to the Board on an "as required basis".

The Chair shall designate from time to time a person who may, but need not, be a member of the Board, to be secretary of any meeting of the Board.

At each quarterly meeting of the Board, non-management Board members will meet *in camera* session. To the extent that non-management directors include directors who are not independent directors, the independent directors shall meet at the conclusion of each quarterly meeting with only independent directors present.

The Board may invite any of the Corporation's employees, officers, advisors or consultants or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

5. Board Committees

The Board may establish and delegate to committees of the Board any duties or responsibilities of the Board which the Board is not prohibited by law from delegating. However, the committees of the Board have the authority to make recommendations to the Board but not to bind the Corporation, except to the extent such authority has been specifically delegated to such committee by the Board. The roles and responsibilities of each Committee are described in their respective Committee charter. The Board may appoint *ad hoc* committees when deemed appropriate.

The Board has four standing committees: the Audit Committee, the Corporate Governance Committee, the Human Resources Committee and the Nominating Committee. The Board may combine the responsibilities of the three last committees into one or two committees.

6. Conflict of interest

If a Board member (i) is party to a contract or transaction or proposed contract or transaction with Innergex or any of its affiliates, (ii) is a director or an officer, or an individual acting in a similar capacity, of a party to a contract or transaction or proposed contract or transaction with Innergex or any of its affiliates, or (iii) has a material interest in a person or an affiliate of any person who is a party to a contract or transaction or proposed contract or a transaction with Innergex or any of its affiliates, he/she shall disclose, as soon as possible, the nature and extent of his/her interest in writing to the Chair of the Board, or, in the case of the Chair of the Board, to the President and Chief Executive Officer.

In such circumstances, a director shall not:

- (i) receive material provided to the Board or Committee members;
- (ii) be present during meetings of the Board or Committees while the matter in question is discussed;
- (iii) vote on any resolution intended to approve such a contract or transaction; or
- (iv) receive copy of the minutes except to examine the portion of the minutes that contain disclosure relating to such director's disclosure of conflict;

unless the contract or the transaction or proposed contract or transaction:

- (a) is related to his/her compensation as a director, officer, employee or agent of the Corporation;
- (b) is related to the purchase of liability insurance; or
- (c) is with an affiliate of the Corporation;

provided, however, that the director's presence at the meeting where such vote is taken or the written acknowledgement by the director of the existence of a written resolution is taken into consideration in the determination of the quorum required or the minimum number of directors required.

The Board will approve a formal process to ensure that the foregoing is understood and followed by the Board members.

7. Advisors

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

The Board has determined that any Board member who wishes to engage a non-management advisor to assist on matters involving the Board member's responsibilities as a Board member at the expense of the Corporation should review the request with, and obtain the authorization of, the Chair of the Board.

8. Board Interaction with Third Parties

If a third party approaches a Board member on a matter of interest to the Corporation, the Board member should bring the matter to the attention of the Chair who shall determine whether this matter should be reviewed with management or should more appropriately be dealt by the Board *in camera* session.

9. Communication with the Board

Shareholders and other constituencies may communicate with the Board and individual Board members by contacting any one of the Chair of the Board, the Chair of the Audit Committee or the Chair of the Corporate Governance Committee.

10. Review of the Charter

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

11. Assessment

On an annual basis the Board shall follow the process established by the Corporate Governance Committee of the Board for assessing performance and effectiveness for the Board.

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25 SUSTAINABLE
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