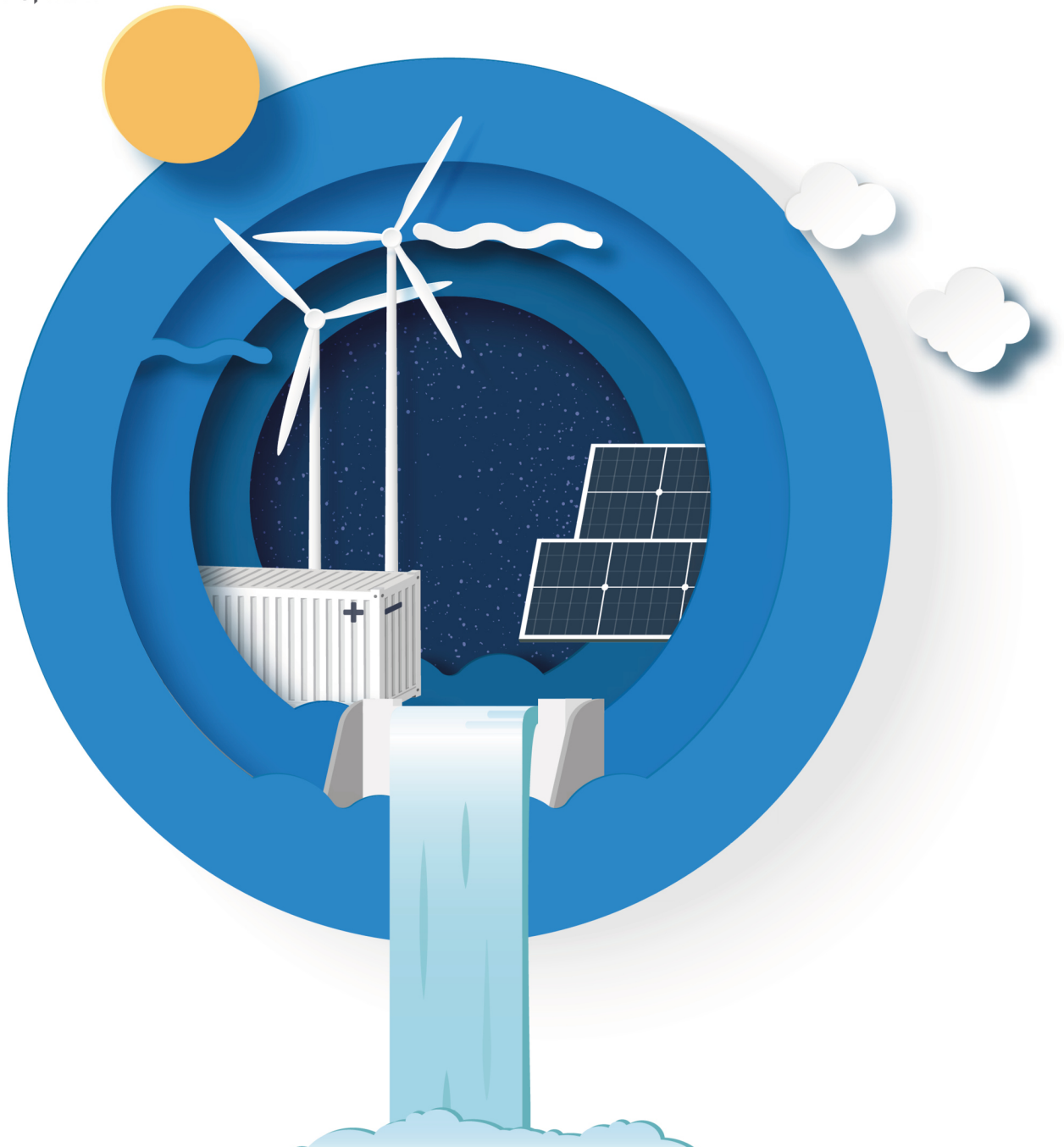




Renewable Energy.  
Sustainable Development.

# ANNUAL INFORMATION FORM

for the Year Ended December 31, 2020  
February 25, 2021



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## INTRODUCTION

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Innergex Renewable Energy Inc. is a leading Canadian independent renewable power producer. Active since 1990, the Corporation develops, acquires, owns and operates hydroelectric facilities, wind farms, solar farms and energy storage facilities and carries out its operations in Canada, the United States (“U.S.”), France and Chile.

Innergex’s mission is to build a better world with renewable energy.

The information set out in this Annual Information Form (“AIF”) is stated as at December 31, 2020 and all money-related amounts are stated in Canadian dollars, unless otherwise specified. The exchange rate used to convert U.S dollars to Canadian dollars is 1.2732. Unless otherwise indicated or the context otherwise requires, all reference to the “Corporation”, to “Innergex”, “we”, “our” and “us” refers to Innergex Renewable Energy Inc. and its subsidiaries. Terms not otherwise defined have the meaning set forth in the “Glossary of terms” included at the end of this document.

## NON-IFRS MEASURES

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Some measures referred to in this AIF are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. The Corporation believes these indicators are important, as they provide management and the reader with additional information about the Corporation's production and cash generation capabilities, its ability to sustain current dividends and dividend increases and its ability to fund its growth. These indicators also facilitate the comparison of results over different periods. Adjusted EBITDA, Adjusted EBITDA Proportionate and Free Cash Flow are not measures recognized by IFRS and have no standardized meaning prescribed by IFRS.

Please refer to the section entitled “Non-IFRS Measures” of the Management’s Discussion and Analysis (“MD&A”) for the twelve-month period ended December 31, 2020 which is incorporated herein by reference and can be found under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) or on its website at [www.innergex.com](http://www.innergex.com) (the “2020 MD&A”) for the definition and historical reconciliation to the most comparable IFRS measure.

## CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

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To inform readers of the Corporation's future prospects, this AIF contains forward-looking information within the meaning of applicable securities laws (“**Forward-Looking Information**”), including the Corporation's power production, prospective projects, successful development, construction and financing (including tax equity funding) of the projects under construction and the advanced-stage prospective projects, sources and impact of funding, project acquisitions, execution of non-recourse project-level financing (including the timing and amount thereof), and strategic, operational and financial benefits and accretion expected to result from such acquisitions, business strategy, future development and growth prospects (including expected growth opportunities under the Strategic Alliance), business integration, governance, business outlook, objectives, plans and strategic priorities, and other statements that are not historical facts. Forward-Looking Information can generally be identified by the use of words such as “approximately”, “may”, “will”, “could”, “believes”, “expects”, “intends”, “should”, “would”, “plans”, “potential”, “project”, “anticipates”, “estimates”, “scheduled” or “forecasts”, or other comparable terms

that state that certain events will or will not occur. It represents the projections and expectations of the Corporation relating to future events or results as of the date of this AIF.

**Future-Oriented Financial Information:** Forward-Looking Information includes future-oriented financial information or financial outlook within the meaning of securities laws, including information regarding the Corporation's expected production, the estimated project costs, projected revenues, projected Adjusted EBITDA and projected Adjusted EBITDA Proportionate, Projected Free Cash Flow and intention to pay dividend quarterly, the estimated project size, costs and schedule, including obtainment of permits, start of construction, work conducted and start of commercial operation for Development Projects and Prospective Projects, the Corporation's intent to submit projects under Requests for Proposals, the qualification of U.S. projects for production tax credits ("PTC") and investment tax credits ("ITC") and other statements that are not historical facts. Such information is intended to inform readers of the potential financial impact of expected results, of the expected commissioning of Development Projects, of the potential financial impact of completed and future acquisitions and of the Corporation's ability to sustain current dividends and to fund its growth. Such information may not be appropriate for other purposes.

**Assumptions:** Forward-Looking Information is based on certain key assumptions made by the Corporation, including, without restriction, those concerning hydrology, wind regimes and solar irradiation, performance of operating facilities, project performance, economic, financial and financial market conditions, the Corporation's success in developing and constructing new facilities, expectations and assumptions concerning availability of capital resources and timely performance by third parties of contractual obligations and receipt of regulatory approvals.

**Risks and Uncertainties:** Forward-Looking Information involves risks and uncertainties that may cause actual results or performance to be materially different from those expressed, implied or presented by the Forward-Looking Information. These are referred to in the "Risks and Uncertainties" section of the Corporation's 2020 MD&A and include, without limitation: the variability in hydrology, wind regimes and solar irradiation; the delays and cost overruns in the design and construction of projects; health, safety and environmental risks, equipment failure or unexpected operations and maintenance activity; the variability of installation performance and the related penalties; the performance of major counterparties; equipment supply; the regulatory and political risks; the increase in water rental cost or the changes to regulations applicable to water use; the availability and the reliability of the transmission systems; the assessment of water, wind and solar and the associated electricity production; global climate change; natural disasters and force majeure; pandemics, epidemics or other public health emergencies; cybersecurity; the reliance on shared transmission and interconnection infrastructure; the ability of the Corporation to execute its strategy for building shareholder value; the ability to raise additional capital and the state of the capital market; the ability to secure new PPAs or renew any PPA; the fluctuations affecting prospective power prices; uncertainties surrounding development of new facilities; the obtainment of permits; the failure to realize the anticipated benefits of completed and future acquisitions; the integration of the completed and future acquisitions; the changes in governmental support to increase electricity to be generated from renewable sources by independent power producers; social acceptance of renewable energy projects; the relationships with stakeholders; the ability to secure appropriate land; foreign market growth and development risks; the liquidity risks related to derivative financial instruments; the interest rate fluctuations and refinancing risk; the financial leverage and restrictive covenants governing current and future indebtedness; the changes in general economic conditions; the foreign exchange fluctuations; the risks related to U.S. production and investment tax credits, changes in U.S. corporate tax Rates and availability of tax equity financing; the possibility that the Corporation may not declare or pay a dividend; the ability to attract new talent or to retain officers or key employees; litigation; the exposure to many different forms of taxation in various jurisdictions; the reliance on various forms of PPAs; the sufficiency of insurance coverage; the credit rating not reflecting the actual performance of the Corporation or a lowering (downgrade) of the credit rating; the variation of the revenues from certain facilities based on the market

(or spot) price of electricity; the host country economic, social and political conditions; the adverse claims to property title; unknown liabilities; the reliance on intellectual property and confidential agreements to protect the Corporation's rights and confidential information; the reputational risks arising from misconduct of representatives of the Corporation.

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

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

PRINCIPAL ASSUMPTIONS	PRINCIPAL RISKS AND UNCERTAINTIES
<p><b>Expected production</b></p> <p>For each facility, the Corporation determines a long-term average annual level of electricity production (“LTA”) over the expected life of the facility, based on engineers’ studies that take into consideration a number of important factors: for hydroelectricity, the historically observed flows of the river, the operating head, the technology employed and the reserved aesthetic and ecological flows; for wind energy, the historical wind and meteorological conditions and turbine technology and for solar energy, the historical solar irradiation conditions, panel technology and expected solar panel degradation. Other factors considered include, without limitation, site topography, installed capacity, energy losses, operational features and maintenance. Although production will fluctuate from year to year, over an extended period it should approach the estimated LTA.</p> <p>On a consolidated basis, the Corporation estimates its LTA by adding together the expected LTAs of all the Operating Facilities, for the facilities that it consolidates. This consolidation excludes however the facilities which are accounted for using the equity method.</p>	<ul style="list-style-type: none"> <li>▪ Improper assessment of water, wind and solar resources and associated electricity production</li> <li>▪ Variability in hydrology, wind regimes and solar irradiation resources</li> <li>▪ Equipment supply risk, including, failure or unexpected operations and maintenance activity</li> <li>▪ Natural disasters and force majeure</li> <li>▪ Regulatory and political risks affecting production</li> <li>▪ Health, safety and environmental risks affecting production</li> <li>▪ Variability of installation performance and related penalties</li> <li>▪ Availability and reliability of transmission systems</li> <li>▪ Litigation</li> </ul>
<p><b>Projected revenues</b></p> <p>For each facility, expected annual revenues are estimated by multiplying the LTA by a price for electricity stipulated in the PPA secured with a public utility or other creditworthy counterparty. In most cases, these PPAs stipulate a base price for electricity produced and, in some cases, a price adjustment depending on the month, day and hour of its delivery. This excludes facilities that receive revenues based on the market (or spot) price for electricity, including the Foard City, Shannon and Flat Top wind farms, the Phoebe and Salvador solar farms and the Miller Creek Facility, which receives a price based on a formula using the Platts Mid-C pricing indices; and the Horseshoe Bend Facility, for which 85% of the price is fixed and 15% is adjusted annually as determined by the Idaho Public Utility Commission. In most cases, PPAs also contain an annual inflation adjustment based on a portion of the Consumer Price Index.</p> <p>On a consolidated basis, the Corporation estimates annual revenues by adding together the projected revenues of the Operating Facilities that it consolidates. The consolidation excludes however the facilities which are accounted for using the equity method.</p>	<ul style="list-style-type: none"> <li>▪ See principal assumptions, risks and uncertainties identified under “<b>Expected Production</b>”</li> <li>▪ Reliance on PPAs</li> <li>▪ Revenues from certain facilities will vary based on the market (or spot) price of electricity</li> <li>▪ Fluctuations affecting prospective power prices</li> <li>▪ Changes in general economic conditions</li> <li>▪ Ability to secure new PPAs or renew any PPA</li> </ul>

PRINCIPAL ASSUMPTIONS	PRINCIPAL RISKS AND UNCERTAINTIES
<p><b>Projected Adjusted EBITDA</b></p> <p>For each facility, the Corporation estimates annual operating earnings by adding (deducting) to net earnings (loss) provision (recovery) for income tax expenses, finance cost, depreciation and amortization, other net expenses, share of (earnings) loss of joint ventures and associates and unrealized net (gain) loss on financial instruments.</p>	<ul style="list-style-type: none"> <li>▪ See principal assumptions, risks and uncertainties identified under “<b>Expected Production</b>” and “<b>Projected Revenues</b>”</li> <li>▪ Unexpected maintenance expenditures</li> </ul>
<p><b>Projected Adjusted EBITDA Proportionate</b></p> <p>On a consolidated basis, the Corporation estimates annual Adjusted EBITDA Proportionate by adding to the projected Adjusted EBITDA Innergex’s share of Adjusted EBITDA of the operating joint ventures and associates, other income related to PTCs, and Innergex’s share of other net revenues of the operating joint ventures and associates related to PTCs.</p>	<ul style="list-style-type: none"> <li>▪ See principal assumptions, risks and uncertainties identified under “<b>Expected Production</b>”, “<b>Projected Revenues</b>” and “<b>Projected Adjusted EBITDA</b>”</li> </ul>
<p><b>Projected Free Cash Flow, Projected Free Cash Flow per Share and Intention to pay dividend quarterly</b></p> <p>The Corporation estimates Projected Free Cash Flow as projected cash flows, from operating activities before changes in non-cash operating working capital items, less estimated maintenance capital expenditures net of proceeds from disposals, scheduled debt principal payments, preferred share dividends declared and the portion of Free Cash Flow attributed to non-controlling interests, plus or minus other elements that are not representative of the Corporation’s long-term cash generating capacity, such as transaction costs related to realized acquisitions (which are financed at the time of the acquisition), realized losses or gains on derivative financial instruments used to hedge the interest rate on project-level debt or the exchange rate on equipment purchases. The Corporation estimates the annual dividend it intends to distribute based on the Corporation’s operating results, cash flows, financial conditions, debt covenants, long-term growth prospects, solvency test imposed under corporate law for declaration of dividends and other relevant factors.</p>	<ul style="list-style-type: none"> <li>▪ See principal assumptions, risks and uncertainties identified under “<b>Expected Production</b>”, “<b>Projected Revenues</b>” and “<b>Projected Adjusted EBITDA</b>”</li> <li>▪ Possibility that the Corporation may not declare or pay a dividend</li> </ul>
<p><b>Qualification for PTCs and ITCs and expected tax equity investment flip point</b></p> <p>For certain Development Projects in the U.S., the Corporation has conducted on and off-site activities expected to qualify its Development Projects for PTC or ITC at the full rate and to obtain tax equity financing on such basis. To assess the potential qualification of a project, the Corporation considers the construction work performed and the timing of such work. The expected Tax Equity Flip Point for tax equity investment is determined according to the LTAs and revenues of each such project and is subject in addition to the related risks mentioned above.</p>	<ul style="list-style-type: none"> <li>▪ Risks related to U.S. PTCs and ITCs, changes in U.S. corporate tax rates and availability of tax equity financing</li> <li>▪ Regulatory and political risks</li> <li>▪ Delays and cost overruns in the design and construction of projects</li> <li>▪ Obtainment of permits</li> </ul>

**PRINCIPAL ASSUMPTIONS**

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Estimated project costs, expected obtainment of permits, start of construction, work conducted and start of commercial operation for Development Projects or Prospective Projects**

For each Development Project and Prospective Project, the Corporation may provide (where available) an estimate of potential installed capacity, estimated storage capacity, estimated project costs, project financing terms and each project’s development and construction schedule, based on its extensive experience as a developer, in addition to information directly related to incremental internal costs, site acquisition costs and financing costs, which are eventually adjusted for the projected costs and construction schedule provided by the engineering, procurement and construction (“EPC”) contractor retained for the project.

The Corporation provides indications based on assumptions regarding its current strategic positioning and competitive outlook, as well as scheduling and construction progress, for its Development Projects and its Prospective Projects, which the Corporation evaluates based on its experience as a developer.

- Uncertainties surrounding development of new facilities
- Performance of major counterparties, such as suppliers or contractors
- Delays and cost overruns in the design and construction of projects
- Ability to secure appropriate land
- Obtainment of permits
- Health, safety and environmental risks
- Ability to secure new PPAs or renew any PPA
- Higher-than-expected inflation
- Equipment supply
- Interest rate fluctuations and financing risk
- Risks related to U.S. PTCs and ITCs, changes in U.S. corporate tax rates and availability of tax equity financing
- Regulatory and political risks
- Natural disaster and force majeure
- Relationships with stakeholders
- Foreign market growth and development risks
- Outcome of insurance claims
- Social acceptance of renewable energy projects
- Ability of the Corporation to execute its strategy of building shareholder value
- Failure to realize the anticipated benefits of completed and future acquisitions
- Changes in governmental support to increase electricity to be generated from renewable sources by independent power producers
- Coronavirus disease (“Covid-19”) restrictive measures

**Intention to respond to requests for proposals**

The Corporation provides indications of its intention to submit proposals in response to requests for proposals (“Request for Proposals” or “RFP”) based on the state of readiness of some of its Prospective Projects and their compatibility with the announced terms of these RFPs.

- Regulatory and political risks
- Ability of the Corporation to execute its strategy for building shareholder value
- Ability to secure new PPAs
- Changes in governmental support to increase electricity to be generated from renewable sources by independent power producers
- Social acceptance of renewable energy projects
- Relationships with stakeholders



## CORPORATE STRUCTURE

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

DATES	DOCUMENT TYPE	DESCRIPTION OF THE AMENDMENTS TO THE ARTICLES OF THE CORPORATION
October 25, 2007	Certificate of Amendment	The Corporation changed its name from Innergex Management Inc. and its French version Management Innergex Inc. to Innergex Renewable Energy Inc. and its French version, Innergex énergie renouvelable inc.
December 4, 2007	Certificate of Amendment	To replace the authorized share capital and the minimum number of directors of the Corporation from one to three.
December 4, 2007	Certificate of Amendment	To replace the authorized share capital of the Corporation by an unlimited number of common shares (the “ <b>Common Shares</b> ”) and an unlimited number of preferred shares, issuable in series (the “ <b>Preferred Shares</b> ”).
March 29, 2010	Certificate of Arrangement	To amend the articles of incorporation to reflect the completion of the strategic combination of the Corporation and Innergex Power Income Fund by way of reverse take-over bid (the “ <b>Arrangement</b> ”).
September 10, 2010	Certificate of Amendment	To amend the authorized share capital of the Corporation by the creation of the Cumulative Rate Reset Preferred Shares, Series A (the “ <b>Series A Shares</b> ”) and the Cumulative Floating Rate Preferred Shares, Series B (the “ <b>Series B Shares</b> ”) in connection with the Corporation’s public offering of Series A Shares.
May 12, 2011	Certificate of Amendment	To introduce a voting right, in certain limited circumstances, for holders of Preferred Shares of the Corporation.
January 1, 2012	Certificate of Amalgamation	To reflect the amalgamation between the Corporation and its subsidiary, Cloudworks Energy Inc.
December 6, 2012	Certificate of Amendment	To amend the authorized share capital of the Corporation by the creation of the Cumulative Redeemable Fixed Rate Preferred Shares, Series C (the “ <b>Series C Shares</b> ”) regarding the Corporation’s public offering of Series C Shares.
May 13, 2020	Certificate of Amendment	To increase the minimum number of directors from one (1) to three (3) and the maximum number of directors from ten (10) to fourteen (14).

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

A corporate chart of the Corporation and its material subsidiaries as well as certain other material ownership interests of the Corporation as at February 24, 2021 is attached hereto as Schedule A, which excludes however some subsidiaries of the Corporation for which the assets and revenue in the aggregate did not exceed 20% of the total consolidated assets and revenue of the Corporation for the year ended December 31, 2020.



## GENERAL DEVELOPMENT OF THE BUSINESS

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The Corporation has been active in the renewable power industry since 1990 and has, as of February 24, 2021, on its own or through various ventures developed, brought to commercial operation or acquired 37 hydroelectric facilities, 32 wind farms and six (6) solar energy farms, representing a net aggregate installed capacity of 2,742 megawatt (“MW”) (gross 3,694 MW) in operation and an energy storage capacity of 150 MWh. Out of its ten development projects, four (4) are currently under construction which are expected to reach their commercial operation stage between 2021 and 2022. All its Prospective Projects are in various stages of development with a combined potential gross installed capacity of 6,875 MW.

## RECENT DEVELOPMENTS

On February 17, 2021, the Corporation reported that the recent unprecedented extreme winter weather conditions in Texas impacted its ability to produce electricity at its Flat Top Wind Farm, which resumed its operations by the weekend. As for the Shannon Wind Farm, Foard City Wind Farm and the Phoebe Solar Farm, while some power generation continued, the combined effect of supply interruptions, abnormal market pricing conditions and contractual obligations to supply a predetermined daily generation under the power hedges, had both positive and negative financial impacts depending on varying conditions at different times.

On January 8, 2021, the Corporation announced the applicable dividend rates for its Series A Shares and Series B Shares. For the Series A Shares, the dividend rate for the five-year period commencing on January 15, 2021 to but excluding January 15, 2026 will be 3.244% per annum, or \$0.2027 per share per quarter, being equal to the sum of the Government of Canada Yield (as the term is defined in the Series A Shares Prospectus referred to below) on December 16, 2020 plus 2.79%. For the Series B Shares, the dividend rate for the quarterly floating rate period commencing on January 15, 2021 to but excluding April 15, 2021 will be equal to 2.91% per annum, or \$0.181875 per share per quarter. The dividend rates were determined in accordance with the terms of the Series A Shares and Series B Shares. As of February 24, 2021, 3,400,000 Series A Shares and no Series B Shares are issued and outstanding. See “*Description of Capital Structure – General Description of Capital – Preferred Shares*”.

## THREE-YEAR SUMMARY

### Financial Year 2020

On February 6, 2020, the Corporation and Hydro-Québec announced the creation of a strategic alliance (the “**Strategic Alliance**”) that will target specific strategic investments in areas including wind and solar projects with battery storage or transmission, distributed generation and off-grid renewable energy networks. Hydro-Québec has committed through an affiliate an initial \$500 million to the Strategic Alliance which will be dedicated to co-investment in projects with the Corporation. On the same day, Hydro-Québec, through HQL Canada Holding Inc., its indirect wholly-owned subsidiary, made an investment of \$660,870,583 in the Corporation through a private placement (“**Private Placement**”) of 34,636,823 Common Shares of the Corporation at a price of \$19.08 per Common Share, representing a premium of 5.0% to the 30-day volume weighted average price as at February 5, 2020. Following the Private Placement, Hydro-Québec indirectly holds 19.9% of the issued and outstanding Common Shares of the Corporation on a non-diluted basis.

2020 was marked by the creation of a Strategic Alliance with Hydro-Québec, which also became Innergex’s main shareholder. Two (2) acquisitions were also completed, and construction progressed at four (4) renewable energy facilities.

On May 7, 2020, the Corporation announced the closing of a construction financing, tax equity commitment, as well as a 7-year term loan facility for the 200 MW Hillcrest solar photovoltaic project located in Brown County, Ohio (the “**Hillcrest Solar Project**”). In aggregate, the US\$191.8 million (CAN\$244.2 million) financing was led by CIT’s Power and Energy group and included MUFG and Mizuho, as well as Wells Fargo as the tax equity investor. The project was acquired in October 2018 from a joint venture between Open Road Renewables, LLC and MAP Energy, LLC, the initial developers of the Hillcrest Solar Project. COD is scheduled for the second quarter of 2021. See “*Description of the Business and Assets of the Corporation – Portfolio of Assets – Development Projects – Under Construction – Solar Project*”.

On May 12, 2020, the Corporation announced it had successfully advanced to the Final Award Group in Hawaiian Electric Companies’ request for proposals for new renewable power generation. The proposed projects are a 15 MW solar and 60 MWh battery storage facility located on the island of O’ahu (the “**Barbers Point Solar Project**”) and a 20 MW solar and 80 MWh battery storage facility located on the island of Maui (the “**Kahana Solar Project**”). The two projects have a proposed COD in 2023. See “*Description of the Business and Assets of the Corporation – Portfolio of Assets – Development Projects – Other Development Projects – Solar Project*”.

On May 14, 2020, the Corporation announced the acquisition of the 68 MW PV Salvador solar photovoltaic farm in Chile (the “**Salvador Solar Farm**”), as well as 11-year demand-based PPAs covering a total electricity generation of 54,6 GWh/year. Salvador Solar Farm and the PPAs were acquired from Etrion Chile SpA, Total Solar Latin America SpA and Holding, and Solventus Salvador SpA. See “*Description of the Business and Assets of the Corporation – Portfolio of Assets – Operating Facilities – Operating Solar Farms*”.

On May 20, 2020, the Corporation announced that it received approval from the Toronto Stock Exchange (“**TSX**”) to proceed to renew the normal course issuer bid on its Common Shares and to commence a normal course issuer bid on its Series A Shares and Series C Shares (the “**2020 Bid**”). Under the 2020 Bid, the Corporation is authorized to purchase for cancellation up to 2,000,000 of its Common Shares representing approximately 1.15% of its issued and outstanding Common Shares and, respectively, up to 68,000 and 40,000 Series A Shares and Series C Shares, representing 2% of the issued and outstanding respective series of preferred shares. The 2020 Bid commenced on May 24, 2020 and will terminate May 23, 2021. As of the date of this AIF, no Common Shares, Series A Shares or Series C Shares were purchased.

On May 22, 2020, the Corporation announced that it received notices from British Columbia Hydro and Power Authority (“**BC Hydro**”) in relation to six of the Corporation’s hydroelectric facilities in British Columbia stating that BC Hydro was not to accept and purchase energy under the applicable electricity purchase agreements (“**EPAs**”) above a specified curtailment level for the period that started on May 22, 2020 and ended on July 20, 2020, which period was not extended by BC Hydro. The specified curtailment levels were 0.0 MWh for the Jimmie Creek, Upper Lillooet River, Northwest Stave River and Boulder Creek facilities, 2.0 MWh for the Tretheway Creek facility and 4.0 MW/h for the Big Silver Creek facility. Maintaining these curtailment levels for the period specified have translated in a loss in revenues of less than \$16.4 million for the Corporation as of the date of this AIF.

On July 15, 2020, the Corporation announced the acquisition of all the Class B shares of a portfolio of six operating wind farms in Elmore County, Idaho, in the United States (known as the Mountain Air acquisition) for a purchase price of US\$56.8 million (CAN\$72.3 million) from Terna Energy SA. The six 23 MW wind farms are Cold Springs, Desert Meadow, Hammett Hill, Mainline, Ryegrass and Two Ponds with a total combined installed capacity of 138 MW. See “*Description of the Business and Assets of the Corporation – Portfolio of Assets – Operating Facilities – Operating Wind Farms*”.

On September 17, 2020, the Corporation announced the signing of two 25-year PPAs that provide a fixed price with the Hawaiian Electric Company, Inc. for the electricity to be produced at the Barbers Point Solar Project and Kahana Solar Project. Both projects have a proposed COD of 2023. The PPAs are subject to the approval by the Public Utilities Commission of Hawaii.

On November 4, 2020, the Corporation and the Pituvik Landholding Corporation (“**Pituvik**”) announced the closing of a \$92.8 million non-recourse construction and term project financing with The Manufacturers Life Insurance Company for the construction of the Innavik hydroelectric facility a 7.5 MW run-of-river hydroelectric facility on the Inukjuak River near Inukjuak, Nunavik, in northern Quebec (the “**Innavik Hydro Project**”). COD is schedule in 2022. See “*Description of the Business and Assets of the Corporation – Portfolio of Assets – Development Projects – Under Construction – Hydroelectric Project*”.

On December 16, 2020, the Corporation reported that the rating agency S&P Global Ratings, a division of S&P Global Inc. (“**S&P**”) changed the credit rating of Innergex to BB+(Stable) from BBB-(Negative) and the ratings of Corporation’s Preferred Shares to B+ and P-4(High), from BB and P-3. The Corporation also reported that Fitch Ratings, Inc. (“**Fitch**”) assigned a BBB- with a stable outlook rating to the Corporation and each of the Corporation’s Series A Shares and Series C Shares was assigned a BB rating. See “*Credit Rating*”.

On December 29, 2020, the Corporation announced the closing of a construction financing and tax equity commitment for its 225 MW wind facility located in Knox and Baylor Counties, in north-west Texas (the “**Griffin Trail Wind Project**”). The US\$276.2 million (CAN\$351.7 million) financing was arranged with Sumitomo Mitsui Banking Corporation acting as Coordinating Lead Arranger, and Canadian Imperial Bank of Commerce (CIBC) acting as Joint Lead Arranger, backed by a US\$171.4 million (CAN\$218.2 million) tax equity commitment from Wells Fargo to be provided upon the COD which is scheduled in 2021.

## Financial Year 2019

On March 25, 2019, the Corporation updated its 2019 financial projections which were made available in the 2018 MD&A. The 2019 financial projections were revised such that, assuming closing of the HS Orka Transaction (as defined below), at the end of the second quarter of 2019 and as a result of such a transaction, the Corporation expected power generated to increase by 10% instead of 20%, Revenues to increase by 7% instead of 15%, Adjusted EBITDA to increase by 11% instead of 15%, Adjusted EBITDA Proportionate to increase by 9% instead of 12%, and Free Cash Flow to increase by 10% as previously projected. In addition, upon closing of the HS Orka Transaction, the Corporation’s remaining weighted average term of PPAs was expected to increase to 17.4 years and the weighted average age of facilities was expected to decrease to 7.2 years.

2019 was marked by the completion of the HS Orka Transaction and the commissioning of two (2) of the largest projects of the Corporation the 250 MW Phoebe solar farm and the 350.3 MW Foard City wind farm.

On May 23, 2019, the Corporation completed the sale of its wholly-owned subsidiary Magma Energy Sweden A.B. which owned an equity interest of approximately 53.9% in HS Orka hf (“**HS Orka**”) to Jarðvarmi slhf (“**Jarðvarmi**”) following the exercise by Jarðvarmi of its right of first refusal (the “**HS Orka Transaction**”). The HS Orka Transaction was completed for a sale price of US\$297.9 million (CAN\$ 379.3 million) after giving effect to closing adjustments.

On May 8, 2019, the Corporation announced the closing of a construction financing and tax equity commitment for the Foard City wind farm located in Foard County, Texas (the “**Foard City Wind Farm**”). The US\$290.9 million (CAN\$369.2 million) financing has been arranged with lenders Santander, MUFG, Zions Bancorp and the Royal Bank of Canada, backed by a US\$275.0 million (CAN\$351.1 million) tax equity commitment from Berkshire Hathaway Energy and a US\$23.3 million (CAN\$29.7 million) 7-year term loan facility with a 10-year amortization period to be provided by the lenders upon COD.

On May 21, 2019, the Corporation announced that it received approval from the TSX to proceed with a normal course issuer bid on its Common Shares (the “**2019 Bid**”). Under the 2019 Bid, the Corporation was authorized to purchase for cancellation up to 2,000,000 of its Common Shares representing approximately 1.5% of its issued and outstanding Common Shares. The 2019 Bid started on May 24, 2019 and ended on May 23, 2020. Under the 2019 Bid, no Common Shares were purchased.

On May 27, 2019, the Corporation, Pituvik and Hydro-Québec announced the construction of the Innalik Hydro Project. This innovative project will provide customers of Inukjuak’s off-grid system with clean and renewable energy. Site preparation began in the fourth quarter of 2019 and construction began in the second quarter of 2020. A 40-year PPA was signed with Hydro-Québec and COD is expected at the end of 2022. See “*Description of the Business and Assets of the Corporation – Portfolio of Assets – Development Projects – Under Construction – Hydroelectric Project*”.

On September 30, 2019, the Corporation completed, on a bought deal basis, an offering in the aggregate principal amount of \$125.0 million of 4.65% convertible debentures (the “**4.65% Convertible Debentures**”) at a price of \$1,000 per debenture. The 4.65% Convertible Debentures are unsecured and subordinated, have a maturity date of October 31, 2026, bearing interest at a rate of 4.65% per annum, payable semi-annually, and are convertible at the option of the holder into Common Shares at a conversion price of \$22.90 per Common Share (the “**4.65% Conversion Price**”), the whole as contemplated under an underwriting agreement (the “**4.65% Convertible Debentures Underwriting Agreement**”) dated September 11, 2019. The 4.65% Convertible Debentures commenced trading on the TSX on September 30, 2019 under the symbol “**INE.DB.C**”. See “*Description of Capital Structure – General Description of Capital Structure – 4.65% Convertible Debentures*”.

On September 30, 2019, the Corporation announced that it began commercial operation of the 350.3 MW Foard City Wind Farm, a project consisting of 139 GE wind turbines spreading over 31,449 acres in Foard County, Texas. The wind farm benefits from a 12-year PPA with Vistra Energy for 300 MW of the Foard City Wind Farm total installed capacity. The remainder of the project’s output will receive a merchant market price. See “*Description of the Business and Assets of the Corporation – Portfolio of Assets – Operating Facilities – Operating Wind Farms*”.

On October 8, 2019, the Corporation announced that it completed the previously announced redemption of the 4.25% convertible unsecured subordinated debentures that were due to mature on August 31, 2020 (the “**4.25% Convertible Debentures**”), in accordance with the terms of the Trust Indenture dated August 10, 2015, governing these debentures. On September 5, 2019, the Corporation issued a redemption notice in respect of the aggregate outstanding principal amount of \$100 million of the 4.25% Convertible Debentures. Of that principal amount, \$86.6 million was converted at the holders’ request into a total of 5,776,795 Common Shares at a conversion price of \$15 per Common Share. The remaining \$13.3 million was redeemed, as of the date of the announcement, at a price of \$1,000 per debenture, plus accrued and unpaid interest up to, but excluding, October 8, 2019, and was financed with drawings under the Corporation’s revolving term credit facility. The 4.25% Convertible Debentures under the symbol “**INE.DB.A**”, were delisted from the TSX on October 8, 2019.

On November 19, 2019, the Corporation announced the full commissioning of the sizeable 250 MW Phoebe solar photovoltaic farm located in Winkler County, Texas (the “**Phoebe Solar Farm**”). The Phoebe Solar Farm was, at that time, the largest solar farm in operation in the State of Texas. The total output will be sold to the ERCOT power grid and 89% of the energy produced will receive a fixed price under a 12-year PPA with Shell Energy North America. The remainder of the project’s output will receive a merchant market price. See “*Description of the Business and Assets of the Corporation – Portfolio of Assets – Operating Facilities – Operating Solar Farms*”.

On November 28, 2019, the Corporation announced that a long-term PPA was signed with an investment grade rated US corporation for its 200 MW Hillcrest Solar Project located in Brown County, Ohio. Sales under the PPA will start upon the project reaching commercial operation, which is expected in the second quarter of 2021. See “*Description of the Business and Assets of the Corporation – Portfolio of Assets – Development Projects – Under Construction – Solar Project*”.

## Financial Year 2018

On February 6, 2018, the Corporation announced the completion of the previously announced acquisition of Alterra Power Corp. (“**Alterra**”). On October 30, 2017, the Corporation and Alterra entered into an arrangement agreement (the “**Alterra Arrangement Agreement**”) pursuant to which the Corporation agreed to acquire at a price of \$8.25 per share all of the issued and outstanding common shares of Alterra (the “**Alterra Common Shares**”) for an aggregate transaction value of \$1.1 billion, including the assumption of Alterra’s debt (the “**Alterra Acquisition**”). Pursuant to the Alterra Acquisition, Alterra shareholders had the right to elect to receive either \$8.25 in cash or 0.5563 of the Corporation’s Common Shares for each Alterra Common Share, subject in each case to the pro-rata, such that the aggregate consideration paid to all Alterra shareholders consisted of approximately 25% in cash and 75% in the Corporation’s Common Shares. On May 3, 2018, the Corporation filed a Business Acquisition Report on SEDAR in respect thereto. The report is available on [www.sedar.com](http://www.sedar.com). The Alterra Acquisition also included a 54% indirect interest in a subsidiary which owned a 30% stake of the Blue Lagoon Geothermal Spa and Resort located in Iceland. On May 23, 2019, the Corporation sold this 54% interest as a result of the HS Orka Transaction. Ross J. Beaty, a former member of the Board of Directors of Alterra joined the Board of Directors of the Corporation at the closing of the Alterra Acquisition.

2018 was marked by the completion of seven (7) acquisitions, including Innergex’s largest acquisition to date, Alterra Power Corp. on February 6, 2018. In 2018, Innergex also entered a new market by completing a partnership in Chile.

Concurrently with the closing of the Alterra Acquisition, the Corporation closed a \$150 million subordinated unsecured 5-year term loan with la Caisse de dépôt et placement du Québec (“**CDPQ**”).

On February 6, 2018, the Corporation announced that it increased the borrowing capacity of its revolving credit facilities by \$225 million to \$700 million and added a new lender to the syndicate of lenders, under a Sixth Amended and Restated Credit Agreement.

On March 27, 2018, the Corporation and BlackRock Real Assets (“**BlackRock**”) announced the commissioning on March 23, 2018, of the 200 MW Flat Top wind farm located near the town of Priddy, Texas (the “**Flat Top Wind Farm**”). The Corporation has a 51% interest in the Flat Top Wind Farm, which was acquired on February 6, 2018, as part of the Alterra Acquisition. A fund managed by BlackRock owns the remaining 49% interest. See “*Description of the Business and Assets of the Corporation – Portfolio of Assets – Operating Facilities – Operating Wind Farms*”.

On April 16, 2018, the Corporation and Sekw’el’was Cayoose Creek Band announced that they reached an agreement with BC Hydro for the renewal of the Walden North Facility’s EPA (the “**Walden EPA Renewal**”). The Walden EPA Renewal was dated as of April 1, 2018 and had a 40-year term. The Walden EPA Renewal was subject to acceptance by the British Columbia Utilities Commission (“**BCUC**”). By Order G-278-19, dated November 8, 2019 (“**BCUC Order**”), in the absence of an updated and approved Integrated Resource Plan from BC Hydro, the BCUC declined to make any determination with regards to whether the Walden EPA was in the public interest, adjourned the proceeding and invited BC Hydro and Cayoose Creek Power Limited Partnership to enter into and file an amendment to the Walden EPA Renewal to reflect a term no longer than three years from the date of the BCUC Order. Cayoose Creek Power Limited Partnership and BC Hydro subsequently agreed to terminate the Walden EPA Renewal pursuant to its terms and to continue to transact pursuant to the terms of (i) the original electricity purchase agreement initially entered into between BC Hydro and ESI Power Corp., dated August 16, 1990, as assigned by ESI Power Corp. to ESI Power-Walden Corporation, and as further assigned by ESI Power-Walden Corporation to Cayoose Creek Power Limited Partnership, as clarified by the First Clarification

Letter dated September 2, 1994 and the Second Clarification Letter dated December 17, 2014, and (ii) the forbearance agreement initially entered into between BC Hydro and ESI Power-Walden Corporation, dated April 1, 2014, as assigned to Cayoose Creek Power Limited Partnership.

On April 16, 2018, the Corporation announced that it reached an agreement with BC Hydro for the renewal of the EPA of the Brown Lake Facility for a 40-year term (the “**Brown Lake EPA Renewal**”). The Brown Lake EPA Renewal is dated as of April 1, 2018 and is subject to acceptance by the BCUC. By the BCUC Order, in the absence of an updated and approved Integrated Resource Plan from BC Hydro, the BCUC declined to make any determination with regards to whether the Brown Lake EPA Renewal is in the public interest, adjourned the proceeding and invited BC Hydro and the Corporation to enter into and file an amendment to the Brown Lake EPA Renewal to reflect a term no longer than three years from the date of the BCUC Order. The Corporation and BC Hydro subsequently amended the Brown Lake EPA Renewal as suggested in the BCUC Order so that the Brown Lake EPA Renewal would have a term no longer than three years and ending on October 31, 2022. The amended Brown Lake EPA Renewal was submitted by BC Hydro to the BCUC for acceptance. As of the date of this AIF, the BCUC’s acceptance of the amended Brown Lake EPA Renewal is still pending.

On May 7, 2018, the Corporation announced that it signed a 12-year PPA with an affiliate of Luminant, a Texas-based power company for 300 MW of its Foard City Wind Farm located in Foard County, Texas (the “**Foard City PPA**”). See “*Description of the Business and Assets of the Corporation – Portfolio of Assets – Operating Facilities – Operating Wind Farms*”.

On May 15, 2018, the Corporation acquired from Ledcor Power Group Ltd.’s its 33.3% interest in Creek Power Inc. (“**Creek Power**”), a company that indirectly owned the Fitzsimmons Creek (7.5 MW), Boulder Creek (25.3 MW) and Upper Lillooet River (81.4 MW) hydro facilities located in BC as well as a portfolio of prospective projects (the “**Creek Projects**”). The Corporation owned the remaining 67.7% interest in Creek Power. Following this acquisition, the Corporation became the sole shareholder of Creek Power. In May 2019, the Corporation transferred its 100% interest in Creek Power to Alterra which subsequently amalgamated with Creek Power. As a result, Alterra directly owns the Creek Projects.

On June 12, 2018, the Corporation completed on a bought deal basis an offering in the aggregate principal amount of \$150.0 million of 4.75% convertible debentures (the “**4.75% Convertible Debentures**”) at a price of \$1,000 per debenture. The 4.75% Convertible Debentures are unsecured and subordinated, have a maturity date of June 30, 2025, bearing interest at a rate of 4.75% per annum, payable semi-annually, and are convertible at the option of the holder into Common Shares at a conversion price of \$20.00 per Common Share (the “**4.75% Conversion Price**”), the whole as contemplated under an underwriting agreement (the “**4.75% Convertible Debentures Underwriting Agreement**”) dated May 29, 2018. On June 12, 2018, the 4.75% Convertible Debentures commenced trading on the TSX under the symbol “**INE.DB.B**”. See “*Description of Capital Structure – General Description of Capital Structure – 4.75% Convertible Debentures*”.

On July 2, 2018, the Corporation acquired the Phoebe Solar Farm from Longroad Energy Partners, LLC. Full notice to proceed with construction was issued on that day and it reached COD on November 19, 2019.

On July 3, 2018, the Corporation acquired a 50% interest in Energia Llaima SpA (“**E-Llaima**”) in Chile for a total consideration of US\$110 million (CAN\$140.1 million). On July 5, 2018, E-Llaima completed the acquisition of the 140 MW Duquenco hydro project for a purchase price of approximately US\$210 million (CAN\$267.4 million) net of an estimated US\$10 million (CAN\$12.7 million) in cash. E-Llaima owns three hydro facilities (total of 152 MW) and one solar thermal farm (34 MW) in operation as well as two hydro facilities in development (total of 125 MW) and other early development stage projects.



On August 2, 2018, the Corporation announced that it signed a final agreement (“**Securities Purchase Agreement**”) to acquire TransCanada’s 62% interest in five wind farms located in the Gaspé peninsula in Quebec known as Baie-des-Sables, Carleton, Gros-Morne, L’Anse-à-Valleau and Montagne Sèche (collectively, the “**Cartier Wind Farms**”), as well as its 50% interest in the operating entities of the Cartier Wind Farms (the “**Cartier Operating Entities**”), for a total consideration of approximately \$630 million. The Corporation previously owned the remaining 38% interest in the Cartier Wind Farms and the 50% interest in the Cartier Operating Entities. On October 24, 2018, the acquisition was completed, and the Corporation filed on November 9, 2018 a Business Acquisition Report on SEDAR in respect of this acquisition. The report is available on [www.sedar.com](http://www.sedar.com).

In addition, on October 24, 2018, the Corporation obtained two short-term credit facilities to cover the purchase price of the acquisition of the Cartier Wind Farms and the associated transaction costs in their entirety. First, the Corporation obtained a \$400 million one-year term non-recourse credit facility, which was repaid on December 19, 2018, using the proceeds resulting from the Cartier Credit Facility (see below). Second, the Corporation obtained a one-year term credit facility of \$228 million, which was reimbursed on May 31, 2019.

On December 19, 2018, the Corporation announced the closing of a non-recourse financing of \$570.4 million with regards to four of the Cartier Wind Farms: Carleton, Gros-Morne, L’Anse-à-Valleau and Montagne Sèche (“**Cartier Credit Facility**”). The Baie-des-Sables wind farm was not included to secure the Cartier Credit Facility as it secures with other assets of the Corporation, the corporate revolving credit facilities, under the Seventh Amended and Restated Credit Agreement, executed on the same day and extended maturity to 2023. The Cartier Credit Facility has a term of 14 years. A portion of the proceeds of the loan was used to repay the existing credit facilities of the L’Anse-à-Valleau, Carleton and Montagne Sèche wind farms and to repay the \$400 million one-year secured bridge loan granted to the Corporation at the time of the acquisition of the Cartier Wind Farms.

## INDUSTRY OVERVIEW AND PRINCIPAL MARKETS

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### RENEWABLE POWER GENERATION INDUSTRY

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

For the Corporation, the factors that explain its growing role in supplying renewable power in North America, France and Latin America, include:

- the growing demand for renewable energy, as key to the energy transition to fight climate change, as supported by international agreements such as the Paris Agreement;
- stable and long-term government policies for climate change mitigation and adaptation and for the procurement of new renewable energy capacity;
- the availability of long-term renewable energy purchase contracts with highly creditworthy counterparties;
- the implementation of non-discriminatory access to transmission systems, providing independent power producers with access to regional electricity markets;
- its capacity to evaluate and secure the best prospective sites for the development of new projects in cooperation with local communities;
- its ability to adequately forecast total construction costs, expected revenues and expected expenses for each project, in a market with rapidly improving cost-competitiveness of renewable energy generation facilities;
- its ability to make accretive acquisitions; and
- its ability to finance its growth and to provide firm power with the increasing market readiness and cost effectiveness of storage technologies.

Push for developing renewable energy worldwide and implementing a global energy transition toward clean and renewable energy came during the United Nations Framework Convention on Climate Change (UNFCCC) 21st Conference of the Parties held in Paris, France in 2015. The agreement that came out of the Conference (the “**Paris Agreement**”) aims to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees. The Paris Agreement establishes a long-term vision in order to reduce global emissions and phase out carbon from the world's energy sources through a transition to renewable energy within each national energy strategy. In 2018, the “Global Warming of 1.5C” report by the Intergovernmental Panel on Climate Change (IPCC) confirmed the need to pursue efforts to limit global warming to 1.5 degrees to avoid the worst impacts of climate change. The release of this report led to renewed and ambitious international commitments to reduce greenhouse gases and to utilize renewable energy.

## Renewable Power in Canada

Over the past few years, the significant growth in renewable power generation in Canada has resulted from commitments to reducing greenhouse gas emissions in power generation; national carbon pricing requirements introduced by the federal government; public concern over new nuclear power generation, air quality and greenhouse gases; improvements in renewable energy technologies; and shorter construction lead times for some renewable energy projects. Renewable electricity generation in Canada is also supported by federal and provincial procurements that results in long-term fixed price contracts with crown corporations, and incentives such as accelerated depreciation, and legislated commitments to renewable energy generation.

In response to its commitments under the Paris Agreement, the Government of Canada released the Pan-Canadian Framework on Clean Growth and Climate Change in 2016. Among its goals, the plan commits to phasing out coal-fired electricity generation by 2030 and resulted in the implementation of a national price on carbon pollution from industrial facilities as of 2019. The plan includes an Output-Based Pricing System to reduce carbon pollution from electricity generation and ensure that renewable electricity sources, such as wind and solar, compete even more effectively against non-renewable sources.

In 2020, the Government of Canada released its updated climate plan, A Healthy Environment and a Healthy Economy, to build on the work under the Pan-Canadian Framework and exceed Canada's 2030 greenhouse gas reduction target. The plan envisions that with significant electrification in all economic sectors, by 2050 Canada will need to produce up to two to three times as much non-emitting power as it does now. Canada currently generates 80% of its electricity from clean, non-emitting sources, and has set a goal to increase this percentage to 90% by 2030 and to achieve a net-zero emissions grid before 2050. Towards this end, the plan commits to a significant increase to the national carbon price from its current \$30 per tonne of GHG emissions to \$170 per tonne in 2030.

At the provincial and territorial level, many governments have set targets for an increased component of renewable energy in their electricity generation supply mix, in order to reduce greenhouse gas emissions over time.

Such targets include the following:

- British Columbia (“BC”) – generate at least 93% of its electricity from clean or renewable resources;
- Alberta – at least 30% of its electricity generation from renewable sources by 2030;
- Saskatchewan – up to 50% of its electricity from renewable resources by 2030;
- Québec – as 99.8% of its electricity production is from renewable sources, government is prioritizing electrification initiatives;
- Nova Scotia – has postponed its goal of having 40% of electricity coming from renewable sources from 2020 to 2022 due to Covid-19;
- New Brunswick – 40% of electricity to come from renewable sources by 2020;
- Yukon – 97% of electricity on the main electricity grid to come from renewable sources by 2030.

Canada enjoys a unique abundance of hydrological resources with an estimated installed hydroelectric capacity of more than 80,000 MW, ranking it the fourth largest hydroelectric energy producer in the world.

Wind energy is now among the lowest-cost options for new electricity supply in most Canadian provinces. More wind energy has been built in Canada over the last five years than any other form of electricity generation, with installed capacity growing by an average of 16 per cent per year for the past decade. The Canadian Renewable Energy Association ranks Canada as the ninth largest producer of wind energy in the world, with an installed wind power capacity of more than 13,400 MW as at the end of 2019.

Solar energy is a small part of the overall supply mix, but a rapidly growing electricity source in Canada. In 2019, Canada had approximately 3,000 MW of installed solar energy capacity, putting it at 19th in the world.

Wind and solar combined now make up 6% of Canada's total electricity generation. The Canada Energy Regulator forecasts that wind and solar capacity will rise to 40 GW and 20 GW respectively by 2050, which is more than triple current levels.

## Regulatory Framework and Distribution Method

### Québec

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

The Régie de l'énergie, an economic regulation agency, sets and modifies the rates and conditions for, inter alia, the transmission of electric power by the electricity carrier and the distribution of electric power by the electricity distributors in the Province of Québec. Furthermore, the Régie de l'énergie monitors all Requests for Proposals for the supply of energy in Québec.

In 2020, the Government of Québec released the 2030 Plan for a Green Economy, an electrification and climate change policy framework. The government is making the electrification of transportation, buildings and industrial activities the plan's focal point so that currently consumed fossil fuels will gradually be replaced by Québec-produced green energy. Québec will also export renewable electricity to its neighbours with the aim to become the "battery" of northeastern America. The Corporation remains confident in the long-term viability of the small hydro and wind energy sectors in this province and has several prospective projects that it continues to maintain for future renewable energy procurement opportunities.

### BC

BC Hydro is one of the largest electric utilities in Canada, supplying most of the power generating capacity in the province. The remaining capacity is provided by investor-owned utilities, large and small industrial self-generators, and independent power producers. The BC Utilities Commission is an independent agency of the provincial government that is responsible for regulating the rates and standards of service quality of BC's natural gas and electricity utilities.

BC Hydro's Integrated Resource Plan is scheduled to be updated in 2021. The Integrated Resource Plan is a flexible long-term strategic plan to meet provincial electricity demand over the next 20 years. While declines in some parts of the resource sector may lead to lower than expected demand, the province's ambitious greenhouse gas emissions reduction and electrification goals will continue to drive the provincial demand for renewable power.

In late 2017, the BC Government decided to continue construction of the Site-C hydroelectric dam project, after it was sent to the BC Utilities Commission for review. The project is currently under construction and is scheduled to reach commercial operation in 2024. With stable climate policy and effective implementation, the energy produced by Site-C should be easily met by the demand associated increased electrification of energy consumption in BC.

The Government of BC launched its new climate plan, CleanBC, at the end of 2018. The plan outlines goals in the transportation, buildings, industrial, and waste sectors that would get BC 75% of the way to its 2030 target of a 40% reduction in GHG emissions. The province is working to identify additional opportunities to achieve the remaining reductions needed to meet its target. While meeting the commitments in the plan will require substantial renewable electricity resources, the Government of BC does not currently anticipate needing to procure additional clean energy sources until beyond 2030.

## Ontario

The Ontario Energy Board regulates Ontario's energy sector through licensing, development and enforcement of rules and standards, and rate regulation of the Crown utility Ontario Power Generation ("OPG"). The Independent Electricity System Operator ("IESO"), into which the Ontario Power Authority was merged in January 2015, addresses system planning and security of supply in Ontario by reviewing demand and resource reliability forecasts, facilitating supply source investment and diversification, and promoting conservation.

The IESO's Annual Planning Outlook is a 20-year forecast for Ontario's electricity system that is intended to guide investment decisions and market development. Released at the end of 2020, the latest outlook forecasts increased demand due to robust near-term growth in the mining sector, new rail transit electrification projects and decreasing electricity prices. A need for more capacity will arise in 2024 due to this emerging demand, the expiration of generation contracts, and nuclear refurbishments. The IESO is also undertaking a large-scale reform of its market rules, with a view to reducing scheduling and dispatching costs, introducing a day ahead market, and lowering costs for consumers.

## Renewable Power in the U.S.

According to the U.S. Energy Information Administration, electricity generation from renewable energy is expected to rise from 19% in 2019 to 38% by 2050, with approximately 117 GW of new wind and solar photovoltaic capacity expected to be added from 2020-2023, encouraged by declining capital costs and the availability of tax credits. The wind energy production tax credit, which was set to expire at the end of 2020, was extended to the end of 2021. In many markets across the U.S., wind and solar energy are already among the least costly new generation sources, even compared with currently low-cost natural gas.

As electricity demand grows modestly, the primary drivers for new capacity are expected to be the retirements of older, less-efficient fossil fuel units, the availability of renewable energy tax credits, and the continued decline in the capital cost of renewable energy sources, especially solar photovoltaic (PV). The U.S. also has a growing portion of new renewable energy projects being built to meet corporate demand. Low natural gas prices and favorable costs for renewable energy sources, combined with legislated commitments towards renewable energy at the state level, are expected to result in natural gas and renewables as the primary sources of new generation capacity in the near term.

States have been very active in adopting and increasing renewable portfolio standards (RPS), policies that require electricity suppliers to source a certain amount of their electricity from designated renewable resources or eligible technologies. Thirty (30) states, Washington, D.C., and three (3) territories have now adopted an RPS, and eight (8) states and one (1) territory have set renewable portfolio goals. Twelve (12) jurisdictions including Hawaii require 100% clean electricity by 2050 or earlier. Over 60% of U.S. electricity retail sales are in a jurisdiction with legally binding RPS policies.

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

## Texas

Texas leads the U.S. in energy production, primarily from crude oil and natural gas. It also generates the most electricity of any state and is the largest producer of wind energy in the U.S. The state has been a leader in wind development since the early 1990's and has almost 25 GW of wind capacity currently installed and more than 5 GW currently under construction, surpassing its target of 10 GW of installed renewable energy capacity by 2025. The state encouraged construction of wind facilities by authorizing Competitive Renewable Energy Zones (“CREZ”), a \$7 billion effort in which transmission lines were built to connect to future wind farms in areas of high wind potential.

The high levels of direct solar radiation in the central and western parts of the state gives Texas some of the largest solar energy potential in the nation. Decreased costs for solar PV panels and improved transmission access have resulted in rapid increases in solar PV capacity to reach over 3 GW of installed utility-scale capacity, with an additional 4 GW expected to be installed over the next 5 years.

### **Regulatory Framework and Distribution Method**

In Texas, the main electricity grid is operated by the Electricity Reliability Council of Texas (“ERCOT”) and is largely isolated from the interconnected power systems serving the eastern and western U.S. The isolation means that the ERCOT grid is not subject to Federal Energy Regulatory Commission oversight and is, for the most part, dependent on its own resources to meet electricity needs. Without using long-term fixed price contracts, ERCOT has achieved large-scale wind development and utility-scale solar is becoming increasingly prominent.

Combined with the limited regulatory framework applicable to permitting and construction on private lands, ERCOT's independence and the low cost of wind and solar generation, demand for renewables is predicted to continue to rise in Texas.

## Renewable Power in France

France continues to be a very attractive market for renewable power. In 2020, the French government confirmed its target to increase the share of renewable in the next 10 years by setting some specific targets by technology. This translates into a projected 35 GW installed capacity in onshore wind by 2028, which continues to be our main focus in this market. In addition, from 2021, we also intend to address the large-scale solar sector which also benefit from the same support with a 40 GW target by 2028. Finally, alongside renewable generation, Innergex intends to pursue opportunities in the storage market.

### **Regulatory Framework and Distribution Model**

The French electricity system is largely deregulated for production, ancillary services and electricity supply. It is, however, still a monopoly for distribution and transmission. The transmission system operator (**RTE**) and the distribution operator (**ENEDIS**), both subsidiaries of Électricité de France (“**EDF**”) are responsible for managing distribution and transport infrastructure and have a duty to provide interconnection to renewable energy projects at standardized conditions. As such, the energy environment remains very favorable to renewable developers.

Although France is likely to reduce the availability of its feed-in tariff contracts, it has committed to extend the RFP system for sourcing additional renewable power. In line with its strategic objectives of reaching 35 GW by 2028, RFPs are expected to call for 1.5 to 2 GW of additional projects every year. Awarded-PPAs would still be offered through a government-backed entity for a long period of time (20 years).

## Renewable Power in Chile

Renewable power continues to increase in Chile. In 2019, the production of solar and wind energy reached a total of 11,186 Gigawatt hours (“GWh”), a 22% increase from 2018, and representing 14.5% of the total generated power. Meanwhile, hydroelectric facilities continue to play a significant role in 2019, accounting for 27% of the total generation (equivalent to 20,793 GWh), 11% less than 2018.

Mining, which consumes about a third of Chile’s overall power production, is also an industry that consumes most of the new renewable energy. Since 2014, the prices of solar energy dropped by more than 60%, prompting the mining sector and other sectors to invest in renewable energy to reduce their energy consumption expenses.

According to the National Electric Coordinator, 62 power facilities began operations during 2020, which represents about 4,000 MW of additional power (100% up from 2019). Among those, solar farms represent 34 new farms adding 1,504 MW of capacity to the system. For their part, wind farms will represent 14 new farms with a total capacity of 1,107 MW. Finally, 10 new hydroelectric facilities began operation in 2020, contributing 756 MW.

## Regulatory Framework and Distribution Model

In Latin America, demand for electricity remains strong and governments are seeking to increase the production of renewable energy, of which there is an ample supply. Chile has set legislated commitments to renewable energy, which target increases in renewable energy generation to 60% by 2035 and 70% by 2050.

Complementing the above commitments, Chile has started a process of decarbonization of the energy matrix through the preparation of a timetable for the withdrawal or reconversion of all the coal-fired power plants, which continued to be the main power source to the system in Chile (39% in 2019).

The National Electric Coordinator acts as the independent system operator for the National Electric System in Chile. It is charged with coordinating electricity generation throughout the system to achieve operational and cost efficiency, while transmission and distribution costs are regulated by law.

In 2013, only 5% of the energy production in Chile was generated from non-conventional renewable energy. In 2020, non-conventional renewable generation is expected to reach 20%, five (5) years before the law adopted in 2013 which mandated that 20% of the energy produced in Chile come from renewable energy by 2025. The solar and wind energy sectors are the most popular sectors since Chile is geographically well positioned. The sunlight from the Atacama Desert and the winds from the Pacific coast and the Andes Mountains make Chile a promising market for renewable energy production.



## METHOD OF PRODUCTION

### Hydroelectric Power Generating Process

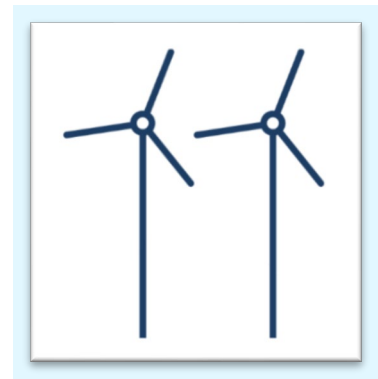
Run-of-river hydroelectric generation facilities, unlike traditional hydroelectric facilities, do not require the flooding of large areas of land. Hydroelectric power is generated by harnessing the force created as waterfalls. The difference in elevation between the headpond and the tailrace is referred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



### Wind Power Generating Process

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

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

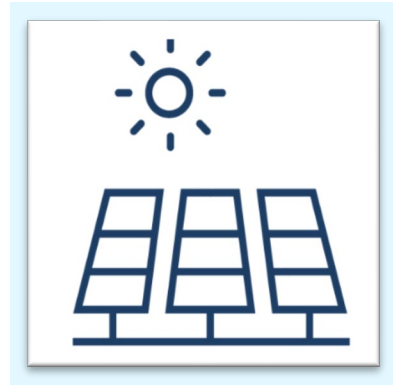


## Solar Power Generating Process

### Solar Photovoltaic Power

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

The electricity produced by solar photovoltaic generating farms is in the form of direct current (unilateral flow of electricity). An inverter is required to convert the direct current electricity to alternating current, required for injection into the electricity distribution and transmission systems.

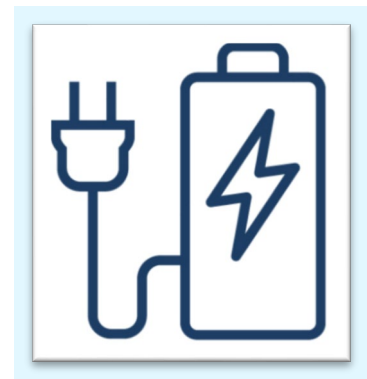


### Solar Thermal Power

Solar thermal power generation farms collect and concentrate solar radiation to produce the heat needed to generate electricity. Solar thermal power systems are equipped with an array of collectors used to focus solar radiation onto a receiver. Generally, the receiver contains fluid which is heated and circulated to produce steam or stored in a hot water tank for later use. The steam is converted into mechanical energy in a turbine, which powers a generator, to produce electricity.

## Energy Storage Power Generating Process

With the increased use of renewable energy, wind and solar, whose production varies depends on wind or solar radiation, it becomes important to integrate energy storage to help balance energy production and demand. As large hydroelectric dams allow water to be stored for later use in hydroelectric turbines, battery storage, spread over all power grids, allows the storage of excess energy generated from renewable energies, outside peak hours, to be reused in periods of high demand for electricity. The advantage of battery storage is its installation close to consumption areas during the peak demand. Battery storage can cover between 2 and 6 hours of peak demand.



Hydrogen will become key in the worldwide energetic transition. Renewable energy will be the only way to produce Green Hydrogen (Green H<sub>2</sub>) using Hydrolyser without CO<sub>2</sub> production. Electrolyser splits the water molecule into two components: Oxygen and Hydrogen. For long-term energy storage, the production of green hydrogen will allow energy to be stored over long periods of time. Green Hydrogen could be reused to produce electrical energy.

## FACTORS AFFECTING RENEWABLE ELECTRICITY PRODUCTION PERFORMANCE

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

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

Turbines are dependent on water flow or wind speed; a turbine does not operate every hour of the year. Production from solar farms is dependant of the sunlight. The usage factor is a measure of the productivity of an electricity-generating source. There are several factors that preclude a wind or hydro powered electricity-generating turbine or solar panels from operating at their theoretical maximum. The primary factors are water flow, wind speed and irradiance.

Furthermore, changing climactic conditions can result in extreme or abnormal weather conditions, resulting in the occurrence of events such as heatwaves, drought, storms and/or floods. This can temporarily or permanently result in increases in volatility of wind, water and sunlight resources or their reduced availability, strength and consistency.

Therefore, a turbine or solar panels will operate for significant periods of time at power outputs less than the rated capacity.

In general, hydro projects have usage factors ranging from 40% to 70%, wind energy projects have usage factors ranging from 25% to over 50% depending on various site-specific factors, and solar energy projects have usage factors from around 15% for fixed racking applications in lower irradiance regions to more than 30% in high solar irradiance areas when the panels are mounted on tracking systems.

## COMPETITIVE CONDITIONS

The Corporation owns and operates 75 facilities in commercial operation (see “Operating Facilities” under section “Portfolio of Assets”). Commissioned between 1992 and November 2019, the facilities have a weighted average age of approximately 8.1 years.

The power generated by the Operating Facilities are generally sold pursuant to long-term PPAs, power hedge contracts or short and long-term industrial and retail contracts (each, a form of PPA) to rated public utilities or other creditworthy counterparties. The PPAs of the Corporation have a weighted average remaining life of 14.2 years (based on gross long-term average production).

For most Operating Facilities in Canada and in France, PPAs include a base price and, in some cases, a price adjustment depending on the month, day and hour of delivery. For most Operating Facilities in the U.S., power generated is sold through PPAs or on the open market and supported by financial or physical power hedges (a form of PPA) to address market price risk exposure. A power hedge is a contract for differences between an electricity producer and a hedge provider (often a financial institution) and as a result, are subject to certain unique risks when compared to more traditional forms of PPAs (see section entitled “Risk and Uncertainties” in the Corporation’s 2020 MD&A). Power hedges are growing in popularity throughout the U.S. and are generally available in deregulated electricity markets, which permit the sale of electricity output on a day-ahead or real-time market. Under a power hedge, if the market price of electricity falls below a certain set (hedge) price at the time of a sale, the hedge provider pays the producer the difference; if the market price is above the hedge price, then the producer pays the difference to the hedge provider.

In Chile, Operating Facilities sell the power generated through PPAs to industrial customers or on the open market.

The Corporation intends to pursue growth opportunities in the renewable energy sector. As such, it intends to pursue growth in its current markets and remains open to identifying new target markets. In its current geographical areas, the Corporation faces competition from large utilities, coal, nuclear, and natural gas electricity producers, other independent power producers and institutions such as investment management funds. Market prices for natural gas and other commodities are important drivers of electricity prices which influence electricity prices from renewable energy. In Canada, the Corporation depends on the sale of its power to provincially owned utilities with long-term PPAs that are generally obtained through a competitive procurement process, which limit exposure to market price risk exposure. However, exposure to market mechanisms, present in deregulated electricity markets can expose certain facilities to operating restrictions, increased downtime due to limited demand or transmission constraints and locational pricing mechanisms.

The Corporation may also face competition while seeking to make acquisitions, as the assets up for sale can attract competing bids from other potential acquirers. The Corporation manages the risks posed by such competitive conditions through its ongoing strategic planning process, through geographical diversification of its portfolio of projects, as well as by focusing on low-impact renewable projects, long-term PPAs with a fixed price, its proven track record and its experienced management team.

The growing awareness and concerns over issues such as climate change, access to clean energy, energy security, energy efficiency and environmental impacts of conventional fossil fuel are leading governments around the world to increase their demand for and commitments to the development of renewable energy supply. Such concerns are driving private procurement initiatives for renewable energy, particularly in the U.S.

Moreover, renewable energy production competitiveness has increased drastically in the last decade mainly due to technological advances and falling costs of the main components. Consequently, notwithstanding the competitive risks associated with the ability to secure new PPAs or renew any PPA (see section entitled “Risk and Uncertainties” in the Corporation’s 2020 MD&A), the Corporation believes that the outlook for the renewable energy industry is promising.

## ECONOMIC DEPENDENCE

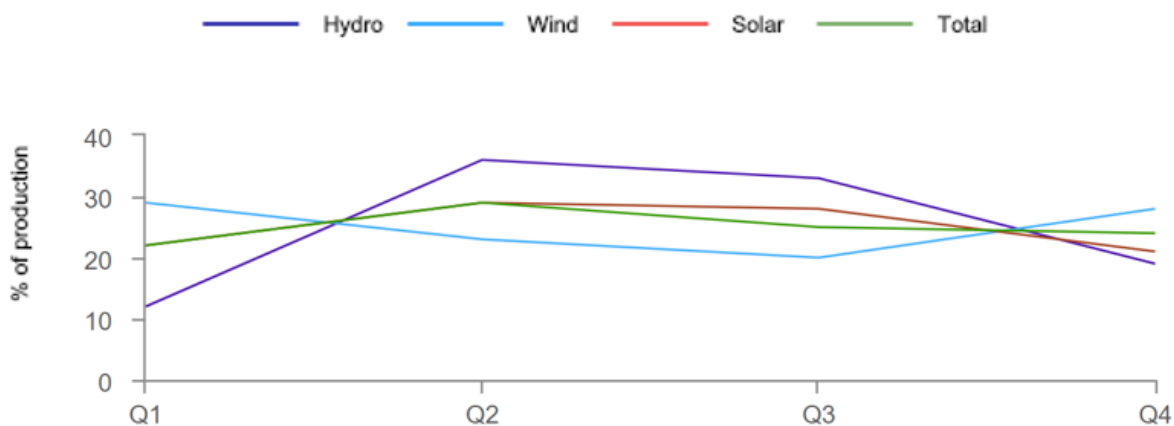
The Corporation does not believe it is substantially dependant on any single contractual agreement. However, the Corporation has identified three (3) major customers. The following table presents the sales of the Corporation to these three (3) major customers under its various PPAs, each represented more than 10% of its 2020 revenues of \$613.2 million (\$557.0 million in 2019):

MAJOR CUSTOMER	CREDIT RATING FROM STANDARD & POOR'S	SEGMENT	REVENUES FOR THE YEARS ENDED	
			DEC. 31, 2020 (\$M)	DEC. 31, 2019 (\$M)
BC Hydro	AAA	Hydroelectric generation	172.7	158.2
Hydro-Québec	A+	Hydroelectric and wind power generation	244.5	249.0
Électricité de France	A+	Wind power generation	92.3	91.7

## SEASONALITY AND CYCLICALITY

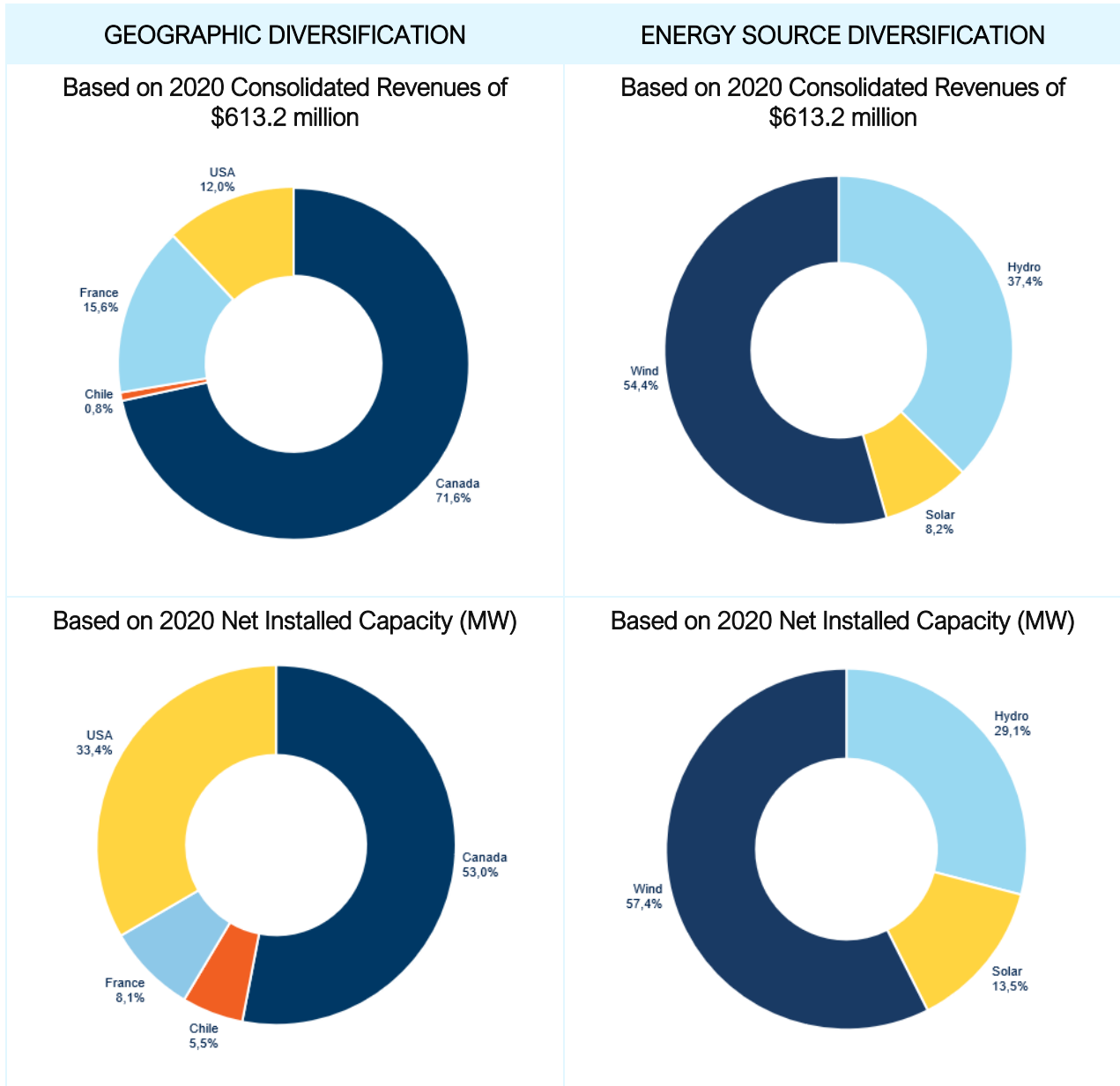
The renewable power industry is inherently seasonal due to the industry's dependence on weather for the availability of water, wind and sunlight resources for electrical generation.

### Seasonality of Production by Energy Sources



The percentage of production is based on the LTA for the facilities in operation as at February 24, 2021. The LTA is presented in accordance with revenue recognition accounting rules under IFRS and excludes production from facilities that are accounted for using the equity method.

The Corporation has limited its exposure to the seasonality of the industry by virtue of the fact that its facilities and projects are geographically diversified (spanning the Provinces of Québec, BC and Ontario in Canada, in France, in the U.S. and in Chile, as presented below as at December 31, 2020). These facilities and projects also offer a mix of energy sources, providing further diversification and thereby reducing the Corporation's dependence on any one resource and any one region.



# DESCRIPTION OF THE BUSINESS AND ASSETS OF THE CORPORATION

## GENERAL OVERVIEW – SEGMENT INFORMATION

As of December 31, 2020, the Corporation had three (3) operating segments: hydroelectric generation, wind power generation and solar power generation. Through those three operating segments, the Corporation sells electricity produced by its hydroelectric facilities, wind farms and solar farms in operation, to publicly owned utilities, other creditworthy counterparties or electricity markets and analyses potential sites and develops hydroelectric, wind and solar facilities up to commissioning stage.

OPERATION REVENUES OF THE CORPORATION BY REPORTABLE SEGMENTS <sup>(1)</sup>				
OPERATING SEGMENTS	2020 OPERATION REVENUES		2019 OPERATION REVENUES	
	\$M	% OF TOTAL REVENUES	\$M	% OF TOTAL REVENUES
Hydroelectric Power Generation	229.1	37.4%	218.9	39.3%
Wind Power Generation	333.8	54.4%	304.7	54.7%
Solar Power Generation	50.3	8.2%	33.4	6.0%

1. During the period ended March 31, 2019, concurrent with reaching an agreement to sell its ownership interests in HS Orka, the Corporation's geothermal power generation segment was reclassified as discontinued operations in its financial statements. As a result, the comparative segmented information has been restated.

## PORTFOLIO OF ASSETS

As of February 24, 2021, the Corporation owns interest in three (3) groups of projects at various stages: Operating Facilities, Development Projects and Prospective Projects.

### Operating Facilities

As of February 24, 2021, the Corporation owns and operates 75 facilities in commercial operation (the "Operating Facilities"). The Corporation shares ownership of 38 Operating Facilities with a corporate, financial, local community or Indigenous partner. Most Operating Facilities sell the generated power under long-term fixed-price PPAs.

OPERATING SEGMENTS	NUMBER OF OPERATING FACILITIES <sup>(1)</sup>	INSTALLED CAPACITY (MW)	
		GROSS <sup>(2)</sup>	NET <sup>(3)</sup>
Hydroelectric	37	1,181	797
Wind	32	2,117	1,575
Solar	6	396	370
<b>Total</b>	<b>75</b>	<b>3,694</b>	<b>2,742</b>

1. The number of Operating Facilities includes all facilities owned and operated by the Corporation, including the non-wholly owned subsidiaries and joint ventures and associates.

2. Gross installed capacity is the total capacity of all Operating Facilities of the Corporation, including those owned and operated by a non-wholly owned subsidiaries and joint ventures and those operated by associates.

3. Net capacity is the proportional share of the total capacity attributable to the Corporation based on its ownership interest in each facility.



## Operating Hydroelectric Facilities

As of February 24, 2021, the Corporation owns interest in 37 hydroelectric Operating Facilities which have an aggregate net installed capacity of 797 MW (gross 1,181 MW), out of which nine (9) are in the Province of Québec, three (3) in Ontario and 21 in BC for a total of 33 in Canada, one (1) in the U.S. and three (3) in Chile. A majority are fully automated and may be operated locally or remotely.

HYDROELECTRIC OPERATING FACILITIES LOCATED IN QUÉBEC, CANADA					
FACILITY NAME	GROSS CAPACITY (MW)	EQUITY INTEREST	ESTIMATED LTA PRODUCTION (MWH)	COD	PPA EXPIRY
Chaudière	24.0	100%	116,651	1999	2039
Magpie	40.6	99.996%	185,000	2007	2032
Montmagny	2.1	100%	8,000	1996	2021
Portneuf – 1	8.0	100%	40,822	1996	2021
Portneuf – 2	9.9	100%	68,496	1996	2021
Portneuf – 3	8.0	100%	42,379	1996	2021
Saint-Paulin	8.0	100%	41,082	1994	2034
Ste-Marguerite	8.5	50.1%	166,500	1993	2043
	22.0			2002	2027
Windsor	5.5	100%	31,000	1996	2036
<b>TOTAL</b>	<b>136.6</b>		<b>699,930</b>		

### Facility ownership transfer upon termination of leases or end (or renewal) of PPA regarding certain facilities described above

The PPA for the Ste-Marguerite Facility reached the end of its initial 25-year term in December 2018. The Corporation sent to Hydro-Québec its notice of automatic renewal for an additional 25-year term. Discussions on the renewal terms and conditions are underway, in accordance with the renewal process of the initial PPA.

The PPA for the Montmagny Facility will reach the end of its initial 25-year term in May 2021. The Corporation sent to Hydro-Québec its notice of automatic renewal for an additional 25-year term. Discussions on the renewal terms and conditions will began during the year.

The PPA for the Portneuf Facilities will reach the end of their initial 25-year term in May 2021. The Corporation sent to Hydro-Québec its notice of automatic renewal for an additional 25-year term. Discussions on the renewal terms and conditions are underway, in accordance with the renewal process of the initial PPA.

Upon termination of the lease in 2032, the Magpie Facility and other improvements located on the site will become the property of the Minister of Natural Resources and Wildlife and the Minister of Sustainable Development, Environment and Parks, unless such ministers waive such right.

The Portneuf Facilities are subject to an emphyteutic lease expiring in December 2025, which may be renewed for an additional 25-year period and upon expiry or other termination of the emphyteutic lease, the Portneuf Facilities and other improvements on the premises will become the ownership of the landlord.

The Saint-Paulin Facility site is subject to a superficies lease ending in 2034 and upon termination of the lease, the Saint-Paulin Facility and other improvements on the site will become the ownership of landlord.

The Windsor Facility site and the hydraulic forces are subject to an emphyteutic lease ending in 2036 and upon termination of the emphyteutic lease, the Windsor Facility and other improvements on the site will become the ownership of the landlord.

HYDROELECTRIC OPERATING FACILITIES LOCATED IN ONTARIO, CANADA					
FACILITY NAME	GROSS CAPACITY (MW)	EQUITY INTEREST	ESTIMATED LTA PRODUCTION (MWH)	COD	PPA EXPIRY
Batawa	5.0	100%	32,938	1999	2029
Glen Miller	8.0	100%	41,606	2005	2025
Umbata Falls	23.0	49%	109,101	2008	2028
<b>TOTAL</b>	<b>36.0</b>		<b>183,645</b>		

Facility ownership transfer upon termination of leases or end (or renewal) of PPA regarding certain facilities described above

Upon expiration of the lease agreement, the Glen Miller Facility will be transferred to the landlord for no further consideration.

Following 25 years from COD of the Umbata Falls Facility, its owner, Umbata Falls LP will be dissolved, and its property and assets will be transferred to Biigtigong Nishnaabeg.

## HYDROELECTRIC OPERATING FACILITIES LOCATED IN BC, CANADA

FACILITY NAME	GROSS CAPACITY (MW)	EQUITY INTEREST	ESTIMATED LTA PRODUCTION (MWH)	COD	PPA EXPIRY
Ashlu Creek	49.9	100%	265,000	2009	2039
Big Silver Creek	40.6	100%	139,800	2016	2056
Boulder Creek	25.3	100%	92,500	2017	2057
Brown Lake	7.2	100%	51,800	1996	2022 <sup>(1)</sup>
Douglas Creek	27.0	50.0024%	92,610	2009	2049
East Toba	147.0	40%	446,544	2010	2045
Fire Creek	23.0	50.0024%	94,175	2009	2049
Fitzsimmons Creek	7.5	100%	33,000	2010	2050
Jimmie Creek	62.0	51%	166,512	2016	2056
Kwoiek Creek	49.9	50%	223,400	2014	2054
Lamont Creek	27.0	50.0024%	105,173	2009	2049
Miller Creek	33.0	100%	102,795	2003	2023
Montrose Creek	88.0	40%	267,319	2010	2045
Northwest Stave River	17.5	100%	63,300	2013	2053
Rutherford Creek	49.9	100%	180,000	2004	2024
Stokke Creek	22.0	50.0024%	87,991	2009	2049
Tipella Creek	18.0	50.0024%	69,942	2009	2049
Tretheway Creek	21.2	100%	81,000	2015	2055
Upper Lillooet River	81.4	100%	334,000	2017	2057
Upper Stave River	33.0	50.0024%	144,406	2009	2049
Walden North	16.0	51%	35,000	1993	2024
<b>TOTAL</b>	<b>846.4</b>		<b>3,076,266</b>		

1. The renewal of the Brown Lake PPA is subject to approval by the BCUC.

### Facility ownership transfer upon termination of leases or end (or renewal) of PPA regarding certain facilities described above

The assets of the Ashlu Creek Facility will be transferred to the Squamish First Nation for a nominal price after 40 years from COD.

Ownership of the Douglas Creek Facility will be transferred, on the 60th anniversary of COD, to the Douglas First Nation band (“DFN”) for no further consideration.

Ownership of the Tipella Creek Facility will be transferred, on the 60th anniversary of COD, to the DFN for no further consideration.

After 40 years from COD of the Kwoiek Creek Facility, the Corporation’s ownership interests will be transferred to Kwoiek Creek Resources Inc. Subsequently, the Corporation will receive a royalty based on a percentage of the gross revenues less operation costs.

Upon expiry of the Tretheway Creek Facility PPA, the Corporation will transfer its 50% interest in the facility to the Chehalis Indian Band.

In 2056, the Corporation will sell to the Cayoose Creek Development Corporation for a consideration of \$1.00, 50% of the common units it holds in the Cayoose Creek Power Limited Partnership and its interests in the general partner, Cayoose Creek Power Inc. which owns the Walden North Facility.

After 35 years of operations of the East Toba and Montrose Creek Facilities, the Corporation’s economic interest will increase from 40% to 51% for no additional consideration and at such time the economic interest of Axiom Toba Montrose Holding Inc. will decrease from 60% to 49%.

With respect to the East Toba, the Montrose Creek and the Jimmie Creek facilities, pursuant to an Impacts and Benefits Agreement, First Nation groups may exercise options to acquire a nominal interest in the partnership owner of the projects at any time between the 36th and 50th anniversary of COD.

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

HYDROELECTRIC OPERATING FACILITY LOCATED IN IDAHO, U.S.					
FACILITY NAME	GROSS CAPACITY (MW)	EQUITY INTEREST	ESTIMATED LTA PRODUCTION (MWH)	COD	PPA EXPIRY
Horseshoe Bend	9.5	100%	46,800	1995	2030
<b>TOTAL</b>	<b>9.5</b>		<b>46,800</b>		

HYDROELECTRIC OPERATING FACILITIES LOCATED IN CHILE					
FACILITY NAME	GROSS CAPACITY (MW)	EQUITY INTEREST	ESTIMATED LTA PRODUCTION (MWH)	COD	PPA EXPIRY
Guayacán	12.0	34.7	75,000	2010	2025 <sup>(1)</sup>
Mampil	55.0	50.0	140,900	2001	-( <sup>1</sup> )
Peuchén	85.0	50.0	177,040	2001	-( <sup>1</sup> )
<b>TOTAL</b>	<b>152.0</b>		<b>392,710</b>		

1. Presently Guayacán and Duqueco (Mampil + Peuchén) have PPAs for a part of their generation. Guayacan signed a PPA with Enel until 2025 with a fix price of USD 45/MWh for 3.3 to 6.8 GWh/year depending of the year. Duqueco has presently 5 different PPAs in force with Enel, Voith and Typack, expiring in 2021, 2023, 2024 and 2025. The prices are comprised between USD 43.5 and USD 47.5/MWh and for a generation decreasing from 221 to 4.5 GWh/year.

## Operating Wind Farms

As of February 24, 2021, the Corporation owns interests in 32 operating wind farms which have an aggregate net installed capacity of 1,575 MW (gross 2,117 MW) out of which eight (8) are in Canada (seven (7) in the Province of Québec and one (1) in BC), fifteen (15) in France and nine (9) in the U.S.

WIND FARMS LOCATED IN QUÉBEC, CANADA					
FARM NAME	GROSS CAPACITY (MW)	EQUITY INTEREST	ESTIMATED LTA PRODUCTION (MWH)	COD	PPA EXPIRY
Baie-des-Sables	109.5	100%	293,400	2006	2026
Carleton	109.5	100%	334,500	2008	2028
Gros-Morne	211.4	100%	639,000	2011 2012 <sup>(1)</sup>	2032
L'Anse-à-Valleau	100.5	100%	291,700	2007	2027
Mesji'g Ugiu's'n	150.0	50%	562,500	2016	2036
Montagne Sèche	58.4	100%	190,500	2011	2031
Viger-Denonville	24.6	50%	72,400	2013	2033
<b>TOTAL</b>	<b>763.9</b>		<b>2,384,000</b>		

1. Construction of the Gros-Morne Wind Farm was performed in two phases: phase I for 100.5 MW was brought to COD in 2011 and phase II for 111 MW in 2012.

WIND FARM LOCATED IN BC, CANADA					
FARM NAME	GROSS CAPACITY (MW)	EQUITY INTEREST	ESTIMATED LTA PRODUCTION (MWH)	COD	PPA EXPIRY
Dokie	144.0	25.5%	302,984	2011	2036
<b>TOTAL</b>	<b>144.0</b>		<b>302,984</b>		

### WIND FARMS LOCATED IN FRANCE

FARM NAME	GROSS CAPACITY (MW)	EQUITY INTEREST	ESTIMATED LTA PRODUCTION (MWH)	COD	PPA EXPIRY
Antoigné	8.0	69.55%	16,000	2010	2025
Beaumont	25.0	69.55%	47,100	2015	2030
Bois d'Anchat	10.0	69.55%	22,000	2014	2029
Bois des Cholletz	11.8	69.55%	21,800	2015	2030
Les Renardières	21.0	69.55%	52,427	2017	2032
Longueval	10.0	69.55%	18,350	2009	2024
Montjean	12.0	69.55%	36,400	2016	2031
Plan Fleury	22.0	69.55%	65,266	2017	2032
Porcien	10.0	69.55%	19,050	2009	2024
Rougemont-1	36.1	69.55%	84,720	2017	2032
Rougemont-2	44.5	69.55%	100,340	2017	2032
Theil-Rabier	12.0	69.55%	37,600	2016	2031
Vaite	38.9	69.55%	93,140	2017	2032
Vallottes	12.0	69.55%	25,100	2010	2025
Yonne	44.0	69.55%	100,400	2017	2032
<b>TOTAL</b>	<b>317.3</b>		<b>739,693</b>		

### WIND FARMS LOCATED IN THE U.S.

FARM NAME	GROSS CAPACITY (MW)	EQUITY INTEREST	ESTIMATED LTA PRODUCTION (MWH)	COD	PPA EXPIRY
Cold Springs	23.0	62.3%	49,633	2012	2032
Desert Meadow	23.0	62.3%	58,281	2012	2032
Flat Top <sup>(1)</sup>	200.0	51%	872,500	2018	2031
Foard City	350.3	100%	1,303,187	2019	2031
Hammett Hill	23.0	62.3%	56,631	2012	2032
Mainline	23.0	62.3%	55,196	2012	2032
Ryegrass	23.0	62.3%	52,556	2012	2032
Shannon <sup>(2)</sup>	204.0	50%	713,806	2016	2029
Two Ponds	23.0	62.3%	58,249	2012	2032
<b>TOTAL</b>	<b>894.8</b>		<b>3,220,039</b>		

- Here and elsewhere, Flat Top Wind Farm equity interests reflect the Corporation's portion of sponsor equity ownership. At Flat Top Wind Farm, the Corporation operates and holds a 51% sponsor equity ownership, with the remaining 49% sponsor equity interest and tax equity interest held by third parties.
- Here and elsewhere, Shannon Wind Farm equity interests reflect the Corporation's portion of sponsor equity ownership. At the Shannon Wind Farm, the Corporation operates and holds a 50% sponsor equity ownership interest, with the remaining 50% sponsor equity interest and tax equity interest held by third parties.

## Operating Solar Farms

As of February 24, 2021, the Corporation owns interests in six (6) solar farms which have an aggregate net installed capacity of 370 MW (gross 396 MW) out of which one (1) is in Canada (in the Province of Ontario), three (3) in the U.S. and two (2) in Chile, which one (1) in Chile has a storage capacity of 150.0 MWh.

SOLAR FARM LOCATED IN ONTARIO, CANADA					
FARM NAME	GROSS CAPACITY (MW)	EQUITY INTEREST	ESTIMATED LTA PRODUCTION (MWH)	COD	PPA EXPIRY
Stardale	27.0	100%	36,584	2012	2032
<b>TOTAL</b>	<b>27.0</b>		<b>36,584</b>		

SOLAR FARMS LOCATED IN U.S.					
FARM NAME	GROSS CAPACITY (MW)	EQUITY INTEREST	ESTIMATED LTA PRODUCTION (MWH)	COD	PPA EXPIRY
Kokomo <sup>(1)</sup>	6.0	90%	9,651	2016	2036
Spartan <sup>(1)</sup>	10.5	100%	14,582	2017	2042
Phoebe	250.0	100%	713,682	2019	2031
<b>TOTAL</b>	<b>266.5</b>		<b>737,915</b>		

1. Here and elsewhere, Kokomo and Spartan equity interests reflect the Corporation's portion of sponsor equity ownership. At Spartan Solar Farm, the Corporation operates and holds a 100% sponsor equity ownership, with the tax equity interest held by a third party. At Kokomo Solar Farm, the Corporation operates and holds a 90% sponsor equity ownership interest, with the remaining sponsor equity and tax equity interest held by third parties.

SOLAR FARMS LOCATED IN CHILE						
FARM NAME	GROSS CAPACITY (MW)	STORAGE CAPACITY (MWH)	EQUITY INTEREST	ESTIMATED LTA PRODUCTION (MWH)	COD	PPA EXPIRY
Pampa Elvira	34.0	150.0 <sup>(1)</sup>	27.5%	53,730	2013	2023
Salvador	68.0	-	100%	112,460	2014	2030
<b>TOTAL</b>	<b>102.0</b>	<b>150.0</b>		<b>166,190</b>		

1. Capacity related to the hot water storage of the Pampa Elvira Solar Farm.

## Development Projects

As of February 24, 2021, the Corporation has interests in ten (10) development projects, four (4) of which are under construction, representing an aggregate estimated gross installed capacity of 440.0 MW and the other six (6) projects have an aggregate estimated gross installed capacity of 189.0 MW and an aggregate estimated storage capacity of 329.0 MWh which are at different stages of development (the “Development Projects”). All the Development Projects are set forth in the following tables and further described below:

### Under Construction

COUNTRY	PROJECT	ESTIMATED GROSS INSTALLED CAPACITY (MW)	EQUITY INTEREST	ESTIMATED GROSS LTA (MWH) <sup>(1)</sup>	EXPECTED COD	PPA EXPIRY
<b>HYDROELECTRIC PROJECT</b>						
Canada	Innavik	7.5	50%	54,700	2022	2062
<b>WIND PROJECTS</b>						
U.S.	Griffin Trail	225.6	100%	819,000	2021	~ <sup>(2)</sup>
France	Yonne II	6.9	69.55%	11,000	2021	2041
<b>SOLAR PROJECT</b>						
U.S.	Hillcrest	200.0	100%	413,300	2021	2035
<b>TOTAL</b>		<b>440.0</b>		<b>1,298,000</b>		

1. This information is intended to inform the reader of the project’s potential impact on the Corporation’s results. The actual results may vary. See “Forward-Looking Information”.

2. The project is expected to sell the energy produced on the open market.

### Hydroelectric Project

#### Innavik Hydro Project (Canada – 50% ownership)

##### Description

Innavik Hydro Project is a run-of-river hydroelectric project with a potential installed capacity of 7.5 MW. It is located on Inukjuak River near Inukjuak, Nunavik, in northern Québec.

The project will replace a diesel power production facility owned and operated by Hydro-Québec to provide electricity to the remote northern community of nearly 2,000 people. The construction of the Innavik Hydro Project began in the spring of 2020 and COD is expected for the end of 2022.

##### Site and Water Rights

The project is located on Inuit land (category 1) at approximately 10 km from the community. Negotiations of the lease and water rights were completed in 2020. The project obtained its environmental permits and it received the final approval of the PPA by the Régie de l’énergie in December 2019.



## **Power Purchase Agreement**

The project is 100% held by Innavig Hydro LP who signed a 40-year PPA with Hydro-Québec distribution. The PPA provides for the payment of a fixed annual amount in return for guaranteed contractual energy and capacity.

## **Wind Projects**

### Griffin Trail Wind Project (U.S. – 100 % ownership)

#### **Description**

The Griffin Trail Wind Project is a 225 MW wind project located in Knox and Baylor Counties, Texas. It will consist of GE wind turbines with a delivery starting in the first quarter of 2021. Construction commenced in the third quarter of 2020, including construction of the roads, turbine foundations and the operations and maintenance building. Construction of the interconnection point is underway by a local transmission provider. COD is expected in the third quarter of 2021.

#### **Site Rights**

The project has 100% land control with leases on over 27,000 acres.

#### **Power Purchase Agreement**

The project is expected to sell the energy produced on the spot market in ERCOT.

### Yonne II Wind Project (France – 69.55 % ownership)

#### **Description**

The Yonne II Wind Project is an extension of the Yonne Wind Farm located in Bourgogne-Franche-Comté, France. The project is a 6.9 MW wind project comprised of three (3) Enercon turbines of a 2.3 MW capacity each. All authorizations have been granted and are free from recourse. Construction started in the second quarter of 2020 and COD is expected in the first quarter of 2021.

#### **Site Rights**

Land and interconnection rights for the project are secured.

#### **Power Purchase Agreement**

The project benefits from a 20-year PPA (additional compensation contract signed with EDF OA) for the entire 6.9 MW capacity that will start when COD has been achieved.

## Solar Project

### Hillcrest Solar Project (U.S. – 100 % ownership)

#### Description

The Hillcrest Solar Project is a 200 MW solar project located in Brown County, in the state of Ohio. The project has successfully completed the Ohio Power Siting Board permitting process and was awarded the necessary Environmental Compatibility and Public Need to Construct an Electric Generation Facility certificate. Interconnection service agreements are in place, full notice to proceed with construction was received in the first quarter of 2020, which would lead to a COD is expected in the second quarter of 2021.

#### Site Rights

Land and lease agreements have been fully secured for the Hillcrest Solar Project. All title curative has been materially completed.

#### Power Purchase Agreement

On November 27, 2019, the long-term PPA for the Hillcrest Solar Project was signed with an investment grade rated US corporation.

## Other Development Projects

COUNTRY	PROJECTS	ESTIMATED GROSS INSTALLED CAPACITY (MW)	ESTIMATED STORAGE CAPACITY (MWH)	EQUITY INTEREST	EXPECTED COD
<b>HYDROELECTRIC PROJECT</b>					
Chile	Frontera	109.0	-	37.5%	-(1)
<b>SOLAR PROJECTS</b>					
U.S.	Hale Kuawehi	30.0	120.0 <sup>(2)</sup>	100%	2022
U.S.	Paeahu	15.0	60.0 <sup>(2)</sup>	100%	2023
U.S.	Kahana	20.0	80.0 <sup>(2)</sup>	100%	2023
U.S.	Barbers Point	15.0	60.0 <sup>(2)</sup>	100%	2023
<b>ENERGY STORAGE PROJECT</b>					
France	Tonnerre	-	9.0 <sup>(3)</sup>	100%	2021
<b>TOTAL</b>		<b>189.0</b>	<b>329.0</b>		

1. Project schedule is under revision due to Covid-19 restrictive measures.
2. Battery storage capacity related to this project.
3. Standalone battery storage project.

## Hydroelectric Project

### [Frontera Hydro Project \(Chile – 37.5% ownership\)](#)

The Frontera Hydro Project is a proposed run-of-river hydroelectric power generating project with an expected installed capacity of 109 MW located on the Biobío River, 500 km south of Santiago, Chile. The Frontera Hydro Project obtained most of the rights and permits needed in order to proceed with construction, including technical and environmental approvals. The financing process, the construction contract and permitting are progressing slowly due to the Covid-19. Project schedule is under revision.

## Solar Projects

### [Hale Kuawehi Solar Project \(U.S. – 100% ownership\)](#)

The Hale Kuawehi Solar Project is a 30 MW solar project with a 120 MWh of battery energy storage located on the island of Hawaii, in the state of Hawaii. In January 2019, the Corporation secured a 25-year PPA for dispatchable energy, which provides a fixed price with the Hawaii Electric Light Company, for the electricity to be produced at the Hale Kuawehi Hydro Project. The project is expected to achieve COD in 2022. The agreement has been approved by the Public Utilities Commission of Hawaii.

### [Paeahu Solar Project \(U.S. – 100% ownership\)](#)

The Paeahu Solar Project is a 15 MW solar project with a 60 MWh of battery energy storage located on the island of Maui, in the state of Hawaii. In January 2019, the Corporation secured a 25-year PPA for dispatchable energy, which provides a fixed price with the Maui Electric Company, for the electricity to be produced at the Paeahu Solar Project. The project is expected to achieve COD in 2023. The agreement was approved by the Public Utilities Commission of Hawaii in October 2020.

### [Kahana Solar Project \(U.S. – 100% ownership\)](#)

The Kahana Solar Project is a 20 MW solar project with 80 MWh of battery energy storage located on the island of Maui. The project signed a 25-year power purchase agreement with the Maui Electric Company that provides a fixed price. The agreement is subject to approval by the PUC of Hawaii. Sales will start upon the project reaching COD, which is expected in 2023.

### [Barbers Point Solar Project \(U.S. – 100% ownership\)](#)

The Barbers Point Solar Project is a 15 MW solar project with 60 MWh of battery storage located on the island of Oahu. The project signed a 25-year power purchase agreement with the Hawaiian Electric Company that provides a fixed price. The agreement is subject to approval by the PUC of Hawaii. Sales will start upon the project reaching COD, which is expected in 2023.

## Energy Storage Project

### Tonnerre Storage Project (France – 100% ownership)

The Tonnerre Storage Project is a 9 MWh battery energy storage located Bourgogne-Franche-Comté, France. The project will be using the lithium iron phosphate technology patented by Hydro-Québec and commercialized by its subsidiary EVLO Energy Storage Inc., which was selected as the battery provider. The project will monetize its capacity certificate under a 7-year fixed-price contract with Réseau de Transport d'Électricité (RTE) (France). COD is expected for late 2021.

## Prospective Projects

As of February 24, 2021, with a combined potential gross installed capacity of 6,875 MW, the prospective projects are in various stages of development (the “**Prospective Projects**”). Some Prospective Projects are targeted toward specific current or future RFPs. Other Prospective Projects are maintained or continue to advance and will be available for future requests for proposals yet to be announced or are targeted toward negotiated PPAs with public utilities or other creditworthy counterparties in Canada or in other countries such as France, the U.S. and Chile. There is no certainty that any Prospective Project will be realized.

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

## Intangible Assets

The intangible assets of the Corporation consist mainly of various PPAs, permits and licences. The Corporation reported \$ 919.3 million in intangible assets as at December 31, 2020. The Corporation’s intangible assets are related to the following segments:

SEGMENTS	HYDROELECTRIC GENERATION \$M	WIND GENERATION \$M	SOLAR GENERATION \$M	TOTAL \$M
Net Value at December 31, 2020	374.2	534.7	10.3	919.3

## Financial and Operational Effects of Environmental Protection Requirements

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

## Employees

As of December 31, 2020, the Corporation had 370 employees. This workforce includes 180 employees in operations and maintenance, 55 employees in development and construction and 135 employees in administration, accounting, finance and legal. The operations of the Corporation's reportable segments are conducted by different teams, as each segment has different skill requirements. The Corporation's employees have the specialized knowledge and skills to carry out its business and the Corporation has a proven ability to complement this internal capacity with an efficient use of external consultants, when required.

## Social and Environmental Protection Policies

For over 30 years Innergex has believed in a world where abundant renewable energy promotes healthier communities and creates shared prosperity. As an independent renewable power producer that develops, acquires, owns and operates hydroelectric facilities, wind farms, solar farms and energy storage facilities, Innergex is leading the way to a cleaner and healthier world.

The Corporation focuses on developing projects that create long-term value and sustainable growth while maintaining the integrity of existing assets. Innergex is proud of the trust it has earned with the communities, where it conducts operations, its partners, and its shareholders and remains committed to delivering long-term value and strong results through strategic and innovative investment opportunities.

The Corporation's mission, vision and values guide its sustainable development strategy which balances People, our Planet and Prosperity (collectively, the "Ps"). Value is generated from the relationship between these three Ps and Innergex remains convinced that focusing on renewable energy, while balancing the three Ps, will lead the way to a better world for future generations.

### Code of Conduct

Decisions and conduct rooted in ethics and integrity consider the interest of shareholders, employees, customers, communities and other stakeholders and reflect the Corporation's core values. Every action reflects a strong commitment to conduct business in a responsible manner that respects and protects the health and safety of employees, contractors and visitors as well as the environment.

The purpose of the Code of Conduct 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, backed by transparent and honest relations among employees, shareholders, directors, suppliers, host communities, partners and other stakeholders. All directors, officers and employees of the Corporation are required to acknowledge the Code of Conduct upon being appointed or hired and thereafter annually

The Code of Conduct, as complemented by the policies and guidelines adopted by the Board of Directors, states that all employees shall ensure that the activities of the Corporation are integrated harmoniously into the community with regard to the natural environment and, in particular, observe applicable environmental laws and regulations at all times, support the economic, social and cultural development of the communities in which the Corporation carries on its activities, cooperate, to the extent possible, with programs established for the betterment of the community, mitigate or avoid the environmental impact of the Corporation's activities (to the extent reasonably possible) and implement remedial measures, when necessary.

The Code of Conduct, in combination with the Corporation's Policy for a Workplace Environment Free of Harassment, Violence and Bullying, adopted on November 13, 2018, also aims to prevent harassment and bullying at the work place, and foster a safe working environment without discrimination. The Code of Conduct also addresses situations such as conflict of interest and anti-corruption measures, as complemented by the Anti-Bribery and Anti-Corruption Guidelines adopted on November 13, 2018, in addition to addressing other matters of importance to the Corporation, such as maintaining information security. The *Code of Conduct* sets the standard and provides guidance as to the expectations for all employees, officers, consultants, members of the Board of Directors and others when representing the Corporation.

### **Environment, Health and Safety Policy**

The *Environment, Health and Safety Policy* formalizes the Corporation's respect for health, safety and the environment that establishes clear rules for minimizing the impacts of its operations on the environment and provides the safest possible work conditions for its employees.

Innergex's environmental team designs and implements procedures that involve long-term environmental monitoring programs, reporting, and the development and execution of emergency action plans as related to environmental matters. The Corporation recognizes that our renewable energy projects must be constructed and operated in a way that mitigates and/or compensates for the impacts on the surrounding environment. Each renewable energy facility complies with national, provincial and local environmental regulations and the team continuously analyzes and evaluates the impact of its operational activities on the environment in order to improve its procedures and the outcomes when permissible.

The Health and Safety team is responsible for developing safety policies and programs, developing and delivering environmental and safety training, conducting internal audits of safety performance, monitoring and reporting safety risks, events or issues and implementing the emergency action plan. It is imperative that Innergex not only comply with applicable local laws and government regulations, but also with internal standards and policies that foster and promote a safe and healthy work environment.

### **Sustainable Development Policy**

Innergex believes that the three pillars of sustainability – economic development, social development and environmental protection – are mutually reinforcing. On March 18, 2015, the Corporation adopted a Sustainable Development Policy which articulates the Corporation's commitment to integrating sustainable development considerations in all aspects of its business, including its strategic planning, decision-making,

management and operations. The Corporation’s Sustainability Reports, ESG standards and ongoing sustainability efforts can be found online at [sustainability.innergex.com](http://sustainability.innergex.com).

The Board of Directors monitors compliance with the *Code of Conduct* and all 15 corporate policies through regular reporting from the management.

## RISK MANAGEMENT AND RISK FACTORS

For information with respect to risks and uncertainties to which the Corporation is subject, see section entitled “Risk and Uncertainties” in the Corporation’s 2020 MD&A.

## DIVIDENDS

The declaration and payment of dividends on the Corporation’s shares is within the discretion of the Board of Directors. The Board of Directors will determine if and when dividends should be paid in the future based on all relevant circumstances, including the desirability of maintaining capital to finance further growth of the Corporation and the Corporation’s financial position at the relevant time. As publicly disclosed, the Corporation currently pays a dividend of \$0.72 per Common Share per annum, payable on a quarterly basis and pays dividends on the Series A Shares and Series C Shares at the applicable rates. See “*Description of Capital Structure – General Description of Capital Structure – Preferred Shares – Series A Shares and Series B Shares and Series C Shares*”.

As of February 25, 2021, the Board of Directors reviewed the Corporation’s Dividend Policy on Common Shares and maintained the \$0.72 per Common Share. For additional information, please see section entitled “Dividends” in the Corporation’s 2020 MD&A.

The following table sets forth the dividends declared by the Corporation to its shareholders of Common Shares, Series A Shares and Series C Shares during its financial years ended December 2018, December 2019 and December 2020.

TYPE OF SECURITIES	DECEMBER 31, 2020		DECEMBER 31, 2019		DECEMBER 31, 2018	
	TOTAL \$M	AMOUNT PER SHARE ON AN ANNUAL BASIS	TOTAL \$M	AMOUNT PER SHARE ON AN ANNUAL BASIS	TOTAL \$M	AMOUNT PER SHARE ON AN ANNUAL BASIS
Common Shares	125.5	0.72	95.0	0.70	90.2	0.68
Series A Shares	3.0	0.90	3.0	0.90	3.0	0.90
Series C Shares	2.8	1.44	2.8	1.44	2.8	1.44

As of the date of this AIF, the Corporation does not expect to make any changes to its dividend policy. For additional information on the Corporation’s dividend policy and the possibility that the Corporation may not declare or pay dividend, see section entitled “Risk and Uncertainties” in the Corporation’s 2020 MD&A.



# DESCRIPTION OF CAPITAL STRUCTURE

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## GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The Corporation's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares issuable in series. As of February 24, 2021, 174,692,091 Common Shares, 3,400,000 Series A Shares, 2,000,000 Series C Shares, \$148.0 million of 4.75% Convertible Debentures and \$142.1 million of 4.65% Convertible Debentures were issued and outstanding.

As of the date hereof, \$1.9 million of the 4.75% Convertible Debentures were converted into 98,850 Common Shares and \$1.6 million of the 4.65% Convertible Debentures were converted into 73,969 Common Shares.

### Common Shares

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

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

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

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

### Preferred Shares

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

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

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

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

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

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

## Series A Shares and Series B Shares

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

For the initial five year period from and including the date of issuance of the Series A Shares to, but excluding January 15, 2016 (the "**Initial Fixed Rate Period**"), holders of Series A Shares were entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the 15th day of January, April, July and October in each year at an annual rate equal to \$1.25 per Series A Share. For each five year period after the Initial Fixed Rate Period (each a

“**Subsequent Fixed Rate Period**”), holders of Series A Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the 15th day of January, April, July and October in each year during the Subsequent Fixed Rate Period, in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate (as defined in the Series A Shares Prospectus) applicable to such Subsequent Fixed Rate Period by \$25. The Annual Fixed Dividend Rate for each Subsequent Fixed Rate Period will be equal to the sum of the Government of Canada Yield (as defined in the short form prospectus for the Series A Shares dated September 7, 2010 (the “**Series A Shares Prospectus**”)) on the 30th day prior to the first day of such Subsequent Fixed Rate Period plus 2.79%. For the five-year period from January 15, 2016 to but excluding January 15, 2021, the dividend on the Series A Shares was \$0.902 per share per annum. For the five-year period from January 15, 2021 to but excluding January 15, 2026, the dividend on the Series A Shares will be \$0.811 per share per annum.

Each holder of Series A Shares had the right, at its option, to convert all or any of its Series A Shares into Series B Shares on the basis of one Series B Share for each Series A Share converted, subject to certain conditions, on January 15, 2016 and will have the right, at its option, to effect such conversion on January 15 every five years thereafter (the “**Series A Conversion Date**”). The holders of Series B Shares are entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the 15th day of January, April, July and October in each year, in the annual amount per Series B Share determined in accordance with the formula set out in the Series A Shares Prospectus. As at January 15, 2021, no Series A Shares were converted into Series B Shares.

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

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

## Series C Shares

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

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

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

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

## 4.75% Convertible Debentures

On June 12, 2018, the Corporation completed the offering of the 4.75% Convertible Debentures (the “**4.75% Convertible Debentures**”) in the aggregate principal amount of \$150.0 million.

The 4.75% Convertible Debentures were issued under an indenture dated June 12, 2018 between the Corporation and Computershare Trust Company of Canada (the “**4.75% Convertible Debentures Indenture**”). The following summary of certain provisions of the 4.75% Convertible Debentures Indenture is subject to, and is qualified in its entirety by reference to, the provisions of the 4.75% Convertible Debentures Indenture, available on SEDAR at [www.sedar.com](http://www.sedar.com).

The 4.75% Convertible Debentures have a maturity date of June 30, 2025 (the “**4.75% Maturity Date**”) and bear interest at a rate of 4.75% per annum, payable semi-annually not in advance, on June 30 and December 31 in each year, and are convertible at the option of their holders into Common Shares at a conversion rate of 50 Common Shares per \$1,000 principal amount of 4.75% Convertible Debentures, which is equal to the 4.75% Conversion Price.

On or after June 30, 2021 and prior to June 30, 2023, the 4.75% Convertible Debentures may be redeemed by the Corporation, in whole or in part from time to time, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the 4.75% Conversion Price (the “**4.75% Current Market Price**”).

On or after June 30, 2023 and prior to the 4.75% Maturity Date, the 4.75% Convertible Debentures may be redeemed, in whole or in part, at the option of the Corporation on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest. Subject to required regulatory approval and provided that there is not a current event of default (as defined in the 4.75% Convertible Debentures Indenture), the Corporation may, at its option, elect to satisfy its obligation to pay the principal amount of the 4.75% Convertible Debentures on redemption or at maturity, in whole or in part, through the issuance of freely tradable Common Shares upon at least 40 days and not more than 60 days prior notice, by delivering that number of Common Shares obtained by dividing the principal amount of the 4.75% Convertible Debentures which are to be redeemed or have matured by 95% of the 4.75% Current Market Price. Any accrued or unpaid interest will be paid in cash.

## 4.65% Convertible Debentures

On September 30, 2019, the Corporation completed the offering of the 4.65% Convertible Debentures (the “**4.65% Convertible Debentures**”) in the aggregate principal amount of \$125.0 million.

The 4.65% Convertible Debentures were issued under an indenture dated September 30, 2019 between the Corporation and AST Trust Company (Canada) (the “**4.65% Convertible Debentures Indenture**”). The following summary of certain provisions of the 4.65% Convertible Debentures Indenture is subject to, and is qualified in its entirety by reference to, the provisions of the 4.65% Convertible Debentures Indenture, available on SEDAR at [www.sedar.com](http://www.sedar.com).

The 4.65% Convertible Debentures have a maturity date of October 31, 2026 (the “**4.65% Maturity Date**”) and bear interest at a rate of 4.65% per annum, payable semi-annually not in advance, on October 31 and April 30 in each year, and are convertible at the option of their holders into Common Shares at a conversion rate of 43.6681 Common Shares per \$1,000 principal amount of 4.65% Convertible Debentures, which is equal to the 4.65% Conversion Price.

On or after October 31, 2022 and prior to October 31, 2024, the 4.65% Convertible Debentures may be redeemed by the Corporation, in whole or in part from time to time, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the 4.65% Conversion Price (the “**4.65% Current Market Price**”).

On or after October 31, 2024 and prior to the 4.65% Maturity Date, the 4.65% Convertible Debentures may be redeemed, in whole or in part, at the option of the Corporation on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest. Subject to required regulatory approval and provided that there is not a current event of default (as defined in the 4.65% Convertible Debentures Indenture), the Corporation may, at its option, elect to satisfy its obligation to pay the principal amount of the 4.65% Convertible Debentures on redemption or at maturity, in whole or in part, through the issuance of freely tradable Common Shares upon at least 40 days and not more than 60 days prior notice, by delivering that number of Common Shares obtained by dividing the principal amount of the 4.65% Convertible Debentures which are to be redeemed or have matured by 95% of the 4.65% Current Market Price. Any accrued or unpaid interest will be paid in cash.

## CREDIT RATINGS

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

The table to the right sets out the ratings of the Corporation, of its Series A Shares and of its Series C Shares received from S&P and Fitch as at February 24, 2021.

	S&P	FITCH
Innergex Renewable Energy Inc.	BB+	BBB-
Series A Shares	B+/P-4(High)	BB
Series C Shares	B+/P-4(High)	BB

### S&P

On December 16, 2020, S&P lowered the Corporation's rating to BB+ from BBB- with a stable outlook. An S&P's issuer credit rating is a forward-looking opinion about an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. Such opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. S&P ratings for long-term debt instrument range from a high of AAA to a low of CC. Ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. According to S&P rating system, an obligor rated BB+ falls in the fifth highest of the eleventh ratings categories. Although less vulnerable than other speculative issuers, an obligor rated BB is regarded as having a degree of speculative characteristics. When faced with uncertainties or challenges in the business, financial, or economic environment, entities rated 'BB' may in-turn face challenges meeting their financial commitments. An S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). The outlook may be qualified as Positive, Negative, Stable, Developing or N.M. (not meaningful).

On the same date, S&P also lowered the Corporation's Series A Shares and the Series C Shares to P-4 (High) from P-3. Such P-4(High) rating is the twelfth highest of the twentieth categories used by S&P in its Canadian preferred share rating scale (the first rating being the highest and the twentieth rating being the lowest). A P-4(High) rating corresponds to a B+ rating on the global preferred share rating scale. Obligors rated BB, B, CCC, and CC are regarded as having significant speculative characteristics, of which BB indicates the least degree of speculation and CC the highest. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions. An obligor rated 'B' is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.

## Fitch

On December 1, 2020, Fitch issued its inaugural credit rating for the Corporation. It assigned a first-time issuer default rating of BBB- with a stable rating outlook. Fitch has also assigned a rating of BB to the Series A Shares and Series C Shares. The Series A Shares and Series C Shares are afforded a 50% equity credit due to the cumulative nature of the dividends and the perpetual nature of the preferred shares. Fitch calculates the Corporation's credit metrics on a deconsolidated basis as its operating assets are largely financed with nonrecourse project debt held at the project subsidiaries.

Fitch's credit ratings are on a long-term debt scale that ranges from AAA to D, representing the range from highest to lowest quality of such rated securities. The rating of BBB- obtained from Fitch in respect of the Corporation is the fourth highest of ten available rating categories and indicates that the issuer has adequate capacity to meet its financial commitments. The rating of BB from Fitch in respect of the Series A Shares and Series C Shares is characterized as having elevated default risk however business or financial flexibility exists that support servicing the financial commitments. The BB rating from Fitch is the fifth highest of ten available ratings categories. The addition of a (+) or (-) designation after a rating indicates the relative standing within a category. In each case, however, adverse economic conditions or changing circumstances are more likely to lead to weakened capacity of the obligor to meet its financial commitments on the obligation. A Fitch rating is an opinion as to the creditworthiness of a security. An opinion and a report made by Fitch are based on established criteria and methodologies that are continuously evaluating and updated.

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

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



## MARKET FOR SECURITIES

The Corporation's Common Shares, Series A Shares, Series C Shares, 4.75% Convertible Debentures and 4.65% Convertible Debentures are listed on the TSX under the symbols "INE", "INE.PR.A", "INE.PR.C", "INE.DB.B" and "INE.DB.C", respectively. The following table sets forth the reported highest price, lowest price and the daily average volume of each of the Corporation's securities for the periods indicated:

Period	COMMON SHARES			SERIES A SHARES			SERIES C SHARES		
	Highest price	Lowest price	Daily average volume	Highest price	Lowest price	Daily average volume	Highest price	Lowest price	Daily average volume
January 2020	\$ 18.99	\$ 16.59	312,696	\$ 15.92	\$ 14.33	4,349	\$ 23.72	\$ 22.90	984
February 2020	\$ 22.28	\$ 18.75	619,011	\$ 16.97	\$ 14.89	7,412	\$ 24.90	\$ 23.55	1,189
March 2020	\$ 21.40	\$ 13.97	842,732	\$ 12.40	\$ 11.00	2,425	\$ 23.02	\$ 22.00	5,400
April 2020	\$ 20.13	\$ 17.56	431,805	\$ 13.21	\$ 10.35	2,495	\$ 24.00	\$ 22.50	3,718
May 2020	\$ 19.38	\$ 17.59	320,998	\$ 13.23	\$ 12.40	4,432	\$ 24.35	\$ 22.99	2,283
June 2020	\$ 20.16	\$ 18.18	401,084	\$ 13.50	\$ 12.63	3,257	\$ 24.35	\$ 23.25	673
July 2020	\$ 23.08	\$ 18.96	371,467	\$ 13.24	\$ 12.55	2,945	\$ 24.15	\$ 23.20	216
August 2020	\$ 23.42	\$ 22.06	294,470	\$ 13.60	\$ 13.15	1,151	\$ 24.15	\$ 23.61	374
September 2020	\$ 24.19	\$ 21.59	425,401	\$ 13.80	\$ 13.26	1,971	\$ 24.34	\$ 23.77	250
October 2020	\$ 26.60	\$ 23.80	467,030	\$ 13.89	\$ 13.27	3,992	\$ 24.99	\$ 23.81	427
November 2020	\$ 27.04	\$ 22.62	517,297	\$ 14.78	\$ 13.65	1,775	\$ 25.35	\$ 24.75	344
December 2020	\$ 27.63	\$ 24.51	488,946	\$ 15.34	\$ 14.46	6,039	\$ 25.50	\$ 25.04	379
January 2021	\$ 32.48	\$ 27.41	733,190	\$ 16.76	\$ 14.60	7,062	\$ 25.30	\$ 24.85	2,782
February 1 to 24, 2021	\$ 29.81	\$ 24.07	713,769	\$ 16.43	\$ 15.99	1,784	\$ 25.40	\$ 24.99	642

Period	4.75% CONVERTIBLE DEBENTURES			4.65% CONVERTIBLE DEBENTURES		
	Highest price	Lowest price	Daily average volume	Highest price	Lowest price	Daily average volume
January 2020	\$ 110.00	\$ 104.67	1,011	\$ 105.75	\$ 101.50	1,566
February 2020	\$ 118.12	\$ 108.16	4,934	\$ 112.00	\$ 104.97	4,731
March 2020	\$ 106.50	\$ 100.00	830	\$ 101.38	\$ 97.51	4,560
April 2020	\$ 107.00	\$ 99.50	1,070	\$ 104.25	\$ 96.50	2,446
May 2020	\$ 108.75	\$ 102.50	240	\$ 104.00	\$ 100.05	887
June 2020	\$ 109.75	\$ 104.42	284	\$ 105.99	\$ 102.00	366
July 2020	\$ 121.27	\$ 106.58	3,569	\$ 114.25	\$ 103.00	1,508
August 2020	\$ 122.50	\$ 118.00	1,489	\$ 115.05	\$ 110.00	658
September 2020	\$ 125.57	\$ 117.52	2,112	\$ 116.26	\$ 111.00	732
October 2020	\$ 135.53	\$ 123.00	3,398	\$ 124.13	\$ 115.00	3,000
November 2020	\$ 136.00	\$ 120.30	954	\$ 124.00	\$ 113.76	647
December 2020	\$ 140.00	\$ 128.00	1,046	\$ 128.00	\$ 120.00	555
January 2021	\$ 162.50	\$ 143.52	1,337	\$ 145.50	\$ 128.41	3,223
February 1 to 24, 2021	\$ 150.00	\$ 126.14	2,221	\$ 137.95	\$ 119.05	2,631

# DIRECTORS AND EXECUTIVE OFFICERS

## DIRECTORS

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

Name, province and country of residence	Director since	Board committees	Principal occupation for the past five year
<b>Jean La Couture</b> <sup>(1)</sup> Québec, Canada	2010	Chairman of the Board	President, Huis Clos Ltée, business management consultants and dispute advisors
<b>Daniel Lafrance</b> <sup>(1)</sup> Québec, Canada	2010	Vice-Chair of the Board Chair of the Audit Committee Member of the Human Resources Committee	Corporate Director
<b>Ross J. Beaty</b> British Columbia, Canada	2018	--	Chairman of Equinox Gold Corp. and Pan American Silver Corp. From May 2008 to February 6, 2018, was Chairman and director of Alterra Power Corp
<b>Pierre G. Brodeur</b> Québec, Canada	2020	Member of the Audit Committee	Since June 2018, acts as a senior business advisor and corporate director and retired as a partner of Deloitte LLP in May 2018 after serving 40 years
<b>Nathalie Francisci</b> Québec, Canada	2017	Member of the Corporate Governance Committee Member of the Human Resources Committee	Since February 2021, acts as Strategic Advisor at Optimum Talent-Gallagher. Was a partner, Governance & Diversity for the international executive search firm Odgers Berndtson from October 2013 to January 2021
<b>Richard Gagnon</b> Québec, Canada	2017	Chair of the Human Resources Committee Member of the Audit Committee	Corporate Director From November 2003 to January 2017, was President and Chief Executive Officer of Humania Assurance Inc.
<b>Michel Letellier</b> Québec, Canada	2002	--	President and Chief Executive Officer of the Corporation
<b>Dalton McGuinty</b> Ontario, Canada	2015	Member of the Corporate Governance Committee	Corporate Director and Senior Advisor (consultant) for Desire2 Learn and Pomerleau Inc. From January 2015 to September 2015, was a Senior Advisor (consultant) to PwC Canada
<b>Monique Mercier</b> Québec, Canada	2015	Chair of the Corporate Governance Committee	Corporate Director From November 2011 to December 31, 2018, she was the Executive Vice President, Corporate Affairs, Chief Legal and Governance Officer of TELUS Corporation, a telecommunications company
<b>Ouma Sananikone</b> New York, U.S.	2019	Member of the Audit Committee	Corporate Director Currently serves on the Board of Directors and is the chair of the Compensation Committee and a member of both the Audit and Governance and Nomination committees of Macquarie Infrastructure Corporation. In addition, she serves on the Board of Directors and Remuneration committee of Hafnia BW and on the Board of Directors and is the chair of the Governance Committee and the Ethics Committee of Ivanhoe Cambridge (Canada)
<b>Louis Veci</b> Québec, Canada	2020	-	Senior Director – Facilities Operation, TransEnergie, Hydro-Québec

1. Jean La Couture and Daniel Lafrance were appointed directors of the Corporation on March 29, 2010 upon completion of the strategic combination of the Corporation and Innergex Power Income Fund by way of reverse take-over bid and the filing of articles of arrangement. Prior to the Arrangement, they were, since 2003, trustees of Innergex Power Trust, which was a wholly-owned subsidiary of the Fund which was itself a publicly-traded TSX listed issuer.

## EXECUTIVE OFFICERS

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

Name, province and country of residence	Officer since	Office/Principal Occupation
<b>Michel Letellier</b> , MBA Québec, Canada	2003	President and Chief Executive Officer
<b>Jean-François Neault</b> , CPA, CMA, MBA <sup>(1)</sup> Québec, Canada	2018	Chief Financial Officer
<b>Jean Trudel</b> , MBA Québec, Canada	2003	Chief Investment and Development Officer
<b>Yves Baribeault</b> , LL.B., MBA Québec, Canada	2015	Senior Vice President – Legal Affairs and Secretary
<b>Renaud, de Batz de Trenquelléon</b> , P.Geo., M.Sc., MBA Santiago, Chile	2005	Senior Vice President – Latin America
<b>Peter Grover</b> , Eng. Québec, Canada	2005	Senior Vice President – Operations
<b>Jay Sutton</b> , P.Eng. British Columbia, Canada	2018	Senior Vice President – Construction and Engineering
<b>Alexandra Boislard-Pépin</b> , MBA <sup>(1)</sup> Québec, Canada	2020	Vice President – Human Resources
<b>Colleen Giroux-Schmidt</b> British Columbia, Canada	2018	Vice President – Corporate Relations
<b>Matthew Kennedy</b> , M.Sc., R.P. Bio. British Columbia, Canada	2011	Vice President – Environment

1. During the past five years, each of the above executive officers has held his present principal occupation or other management positions with the Corporation except for Jean-François Neault who was Senior Vice President and Chief Financial Officer of Colabor Group Inc. from June 2013 to September 2018 and Alexandra Boislard-Pépin who was Vice President – Talent and Culture and various other positions at Aimia Inc. from October 2017 to March 2020, Senior Director – Global compensation and systems at Yellow Pages from July 2016 to October 2017 and Director of Employee Benefits and International Mobility at Pratt & Whitney Canada (Aérospatiale) from September 2012 to July 2016.

## DIRECTORS' AND EXECUTIVE OFFICERS' SHARE OWNERSHIP

As of February 24, 2021, the directors and executive officers of the Corporation as a group beneficially own, directly or indirectly, or exercise control or direction over 9,773,227 Common Shares, representing 5.59% of the Corporation's total issued and outstanding Common Shares.

## BANKRUPTCY, INSOLVENCY, CEASE TRADE ORDER AND PENALTIES

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

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

## CONFLICTS OF INTEREST

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

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

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Neither the Corporation nor its properties is, nor was during the year ended December 31, 2020, subject to any legal proceedings that would have a material adverse effect on it, except for those discussed below. To the Corporation's knowledge, no other such legal proceedings involving the Corporation, or its property are contemplated.

On August 2, 2018, the Supreme Court of Canada dismissed an application for leave to appeal from the judgment of the Court of Appeal for British Columbia filed by Harrison Hydro Project Inc., Fire Creek Project Limited Partnership, Lamont Creek Project Limited Partnership, Stokke Creek Project Limited Partnership, Tipella Creek Project Limited Partnership and Upper Stave Project Limited Partnership (the "**Limited Partnerships**", and together with Harrison Hydro Project Inc., the "**Appellants**"). As a result, water rental rates applicable to the Harrison Operating Facilities are based on the aggregate power generated collectively by the Harrison Operating Facilities, which rates are significantly higher (by approximately \$1.6 million) than the unaggregated output from each of those Harrison Operating Facilities. The aggregate amount of such increase was included in the results of the Corporation for the years 2013 to 2019, as the Corporation owns a 50.0024% indirect interest in the Limited Partnerships.

In addition, on April 20, 2017 the Appellants appealed two orders issued by the Comptroller of Water Rights on March 22 and March 23, 2017, respectively, retroactively adjusting the water rental billings for the Harrison Operating Facilities for the years 2011 and 2012 by aggregating the power produced at the Harrison Operating Facilities. On July 26, 2019, the Environmental Appeal Board of British Columbia rendered a decision granting the appeal and ordering the Comptroller of Water Rights to reimburse to each of the Limited Partnerships its proportionate share of the adjusted water rental amounts overcharged to Harrison for the years 2011 and 2012 (\$3,180,949.94). On November 22, 2019, the Environmental Appeal Board of British Columbia rendered another decision confirming that the principal sum of \$3,180,949.94 will accrue interest starting June 28, 2017 until the date it is refunded to the Appellants. On January 20, 2020, the Comptroller of Water Rights filed with the Supreme Court of British Columbia a petition for judicial review of the Environmental Appeal Board's order to return the \$3,180,949.94 in water rental fees to the Appellants with interest. On January 31, 2020, the Comptroller of Water Rights transferred an amount of \$3,317,536.91, representing the principal sum of \$3,180,949.94 with interest accrued between June 28, 2017 and January 31, 2020, to a trust account established by the Appellants' external legal counsel, bearing interest in favor of the Appellants. On February 9, 2021, the Supreme Court of British Columbia dismissed the Comptroller of Water Rights' petition for judicial review. Normally, a party has 30 days from the pronouncement of a judge's order to appeal to the British Columbia Court of Appeal. However, the British Columbia government has suspended limitation periods and deadlines as a result of Covid-19. That suspension of limitation periods includes the deadline to appeal under the Court of Appeal Act (British Columbia).

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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Other than as set out below, no director or executive officer of the Corporation, no person who beneficially owns, controls or directs, directly or indirectly, more than 10% of any category of shares of the Corporation and no known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction or proposed transaction, within the last three years or during the current financial year, that has materially affected or will materially affect the Corporation.

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

As of the closing of the Acquisition of Alterra, the following transactions had occurred: (i) in 2011, Ross J. Beaty, then chairman of the board of directors and a large shareholder of Alterra, entered into a revolving credit facility with Alterra (the "**Credit Facility**"). The Credit Facility had a borrowing capacity of \$20 million and made funds available to Alterra on a revolving basis at an interest rate of 8% per annum, compounded and payable monthly. In addition, a standby fee in the amount of 0.75% of the Credit Facility and a drawdown fee in the amount of 1.5% of amounts advanced were payable in cash. The Credit Facility matured on March 31, 2018. As of the closing of the Acquisition of Alterra, Alterra borrowed \$17.3 million under the Credit Facility; and (ii) in October 2016, Ross J. Beaty loaned, through a five-year term bond, US\$35.7 million (CAN\$45.5 million) to Alterra's subsidiary Magma Energy Sweden A.B (the "**Bond**"). The Bond paid interest at 8.5% per annum with an upfront fee of 2% of the principal which was paid at closing of the financing. The Bond was collateralized by 15% of the outstanding shares in HS Orka. To optimize its treasury management, the Corporation repaid all outstanding amounts under both the Credit Facility and the Bond to Ross J. Beaty in the first quarter of 2018. Ross J. Beaty is a director of the Corporation since the closing of the Acquisition of Alterra.

Following the Private Placement completed on February 6, 2020, Hydro-Québec indirectly holds 19.9% of the issued and outstanding Common Shares on a non-diluted basis. Hydro-Québec is one of the major customers of the Corporation under various PPAs, and sales to Hydro-Québec amounted to \$249.0 million in 2019. See "*Industry Overview and Principal Markets – Economic Dependence*".

Prior to the Private Placement and the Strategic Alliance, the Corporation had obtained PPA contracts with Hydro-Québec through competitive RFPs. In the past three years, the Corporation had renegotiated the PPAs with respect to the St-Paulin Facility, the Windsor Facility and the Chaudière Facility and is currently in the renegotiation process of the PPAs with respect to the Ste-Marguerite Facility and the Montmagny Facility and the Portneuf Facilities, for additional details, see section "*Operating Facilities*".

Hydro-Québec is governed by the *Hydro-Québec Act* which establishes a framework for Hydro-Québec's activities and defines its mission and rules of governance, as well as by internal bylaws, policies and code of conduct, which regulate the internal operations of various components of Hydro-Québec and prevent conflict of interest in future relationships with the Corporation and any other entity.

## TRANSFER AGENT AND REGISTRAR

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As of September 15, 2020, the transfer agent and registrar of the Corporation is Computershare Trust Company of Canada for the Common Shares, the Series A Shares, the Series B Shares, the Series C Shares and the 4.75% Convertible Debentures. AST Trust Company (Canada) continues to be the agent and registrar of the Corporation for the 4.65% Convertible Debentures at their offices in Toronto and Montréal.

## MATERIAL CONTRACTS

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During financial year 2018, the Corporation entered into the following material contracts:

- Sixth Amended and Restated Credit Agreement;
- Seventh Amended and Restated Credit Agreement;
- Credit Agreement between the Corporation and CDPQ Revenu Fixe Inc.;
- 4.75% Convertible Debentures Indenture;
- 4.75% Convertible Debentures Underwriting Agreement; and
- Securities Purchase Agreement for the Cartier Wind Farms acquisition.

During financial year 2019, the Corporation entered into the following material contracts:

- 4.65% Convertible Debentures Indenture;
- 4.65% Convertible Debentures Underwriting Agreement; and
- Share Purchase Agreement for the sale of Magma Energy Sweden A.B.

During financial year 2020, the Corporation entered into the following material contracts:

- Subscription Agreement with respect to the Private Placement; and
- Investor Rights Agreement with respect to the Private Placement.

Since the beginning of the financial year 2021, the Corporation has not entered into material contracts.

All of these material contracts are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## INTEREST OF EXPERTS

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

## AUDIT COMMITTEE DISCLOSURE

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The Audit Committee is composed entirely of directors who meet the independence and experience requirements of Regulation 52-110 Respecting Audit Committees adopted under the Securities Act (Québec). Daniel Lafrance is Chair of the Audit Committee, Pierre G. Brodeur, Richard Gagnon and Ouma Sananikone are its other current members. Each of them is independent and financially literate within the

meaning of Regulation 52-110 Respecting Audit Committees. The charter of the Audit Committee is attached hereto as Schedule B.

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

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

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

**Pierre G. Brodeur** – Pierre G. Brodeur has acted as a senior business advisor and corporate director as his principal occupation since June 2018. Mr. Brodeur retired as partner of Deloitte LLP in May 2018, after serving 40 years with the firm. Mr. Brodeur was an audit partner serving large global public corporations. He holds a Bachelor in Business Administration (B.A.A.) awarded by the École des Hautes Études Commerciales (HEC Montréal) and he also obtained Certification exams for the Certified Professional Accountant (CPA) and is a member of the Canadian Institute of Chartered Professional Accountants. He is also member of the board of directors of the Ordre des Comptables Professionnels Agréés du Québec (OCPAQ) and member of the executive, governance and audit committees, and Chair of the board of directors of Moisson Montréal, the largest food bank in Canada.

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

**Ouma Sananikone** – Ouma Sananikone has acted as a corporate director as her principal occupation since 2006. She was Chief Executive Officer of the two following entities: Aberdeen Asset Management (Australia) and EquitiLink Group (an Australian asset management group, listed on the Sydney Stock Exchange with operations in Australia, US, Canada and the UK) as well as Managing Director of BNP Investment Management (Australia). Other senior positions included Managing Director at Rothschild Asset Management (Australia), Managing Director at BT Financial Services (Westpac Group) and Managing Director, Corporate Strategy and Investments, at NRMA Insurance in Australia. Ouma Sananikone holds a BA (economics and political sciences) from the Australian National University and a Master of Commerce (economics) from the University of New South Wales. Currently, Ouma Sananikone serves on the Board of Directors of Macquarie Infrastructure Corporation, a reporting issuer listed on the New York Stock Exchange and is its chair of the Compensation Committee and a member of both the Audit and Governance and Nomination committees.



The aggregate fees paid, including the Corporation's pro rata share of the fees paid by its joint ventures, for professional services rendered by KPMG LLP and its affiliates for the years ended December 31, 2020 and December 31, 2019 are presented below.

FEES <sup>(1)</sup>	FINANCIAL YEAR ENDED DECEMBER 31, 2020	FINANCIAL YEAR ENDED DECEMBER 31, 2019
Audit Fees	\$1,638,240	\$1,706,250
Audit-Related Fees	\$399,642	\$143,088
Tax Fees	\$284,718	\$848,949
All Other Fees	\$1,181,521	\$48,425
<b>Total Fees :</b>	<b>\$3,504,151</b>	<b>\$2,746,712</b>

1. The aggregate fees paid, including the Corporation's pro rata share of the fees paid by its joint ventures, for professional services rendered by KPMG LLP and its affiliates for the year ended December 31, 2020 irrespective of the Corporation's proportionate interest in its joint ventures, totalled \$3,504,151, out of the total, \$403,782 of tax fees were for compliance services and \$593,051 for tax consulting services.

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

## ADDITIONAL INFORMATION

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

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

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

## GLOSSARY OF TERMS

“**2019 Bid**” has the meaning attributed thereto under “General Development of the Business – Three-Year Summary – Financial Year 2019”;

“**2020 Bid**” has the meaning attributed thereto under “General Development of the Business – Three-Year Summary – Financial Year 2020”;

“**2020 MD&A**” means the Corporation’s MD&A dated February 26, 2021 for the year ended December 31, 2020, which is incorporation herein by reference and can be found on SEDAR at [www.sedar.com](http://www.sedar.com);

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

“**4.65% Convertible Debentures**” has the meaning attributed under “Description of Capital Structure – 4.65% Convertible Debentures”;

“**4.65% Convertible Debentures Indenture**” has the meaning attributed under “Description of Capital Structure – 4.65% Convertible Debentures”;

“**4.65% Convertible Debentures Underwriting Agreement**” has the meaning attributed under “General Development of the Business – Three Year Summary – Financial Year 2019”;

“**4.65% Conversion Price**” has the meaning attributed under “Three-Year Summary – Financial Year 2019”;

“**4.65% Current Market Price**” has the meaning attributed thereto under “Description of Capital Structure – 4.65% Convertible Debentures”;

“**4.65% Maturity Date**” has the meaning attributed under “Description of Capital Structure – 4.65% Convertible Debentures”;

“**4.75% Convertible Debentures**” has the meaning attributed under “Description of Capital Structure – 4.75% Convertible Debentures”;

“**4.75% Convertible Debentures Indenture**” has the meaning attributed under “Description of Capital Structure – 4.75% Convertible Debentures”;

“**4.75% Convertible Debentures Underwriting Agreement**” has the meaning attributed under “General Development of the Business – Three Year Summary – Financial Year 2018”;

“**4.75% Conversion Price**” has the meaning attributed under “Three-Year Summary – Financial Year 2018”;

“**4.75% Current Market Price**” has the meaning attributed thereto under “Description of Capital Structure – 4.75% Convertible Debentures”;

“**4.75% Maturity Date**” has the meaning attributed under “Description of Capital Structure – 4.75% Convertible Debentures”;

“**Adjusted EBITDA**” are net earnings (loss) to which are added (deducted) provision (recovery) for income tax expenses, finance cost, depreciation and amortization, other net expenses, share of (earnings) loss of joint ventures and associates and unrealized net (gain) loss on financial instruments. Innergex believes that the presentation of this measure enhances the understanding of the Corporation’s operating performance. Readers are cautioned that Adjusted EBITDA should not be construed as an alternative to net earnings, as determined in accordance with IFRS, as further detailed under the “Cautionary Statement on Forward-Looking Information – Principal Assumptions – Projected Adjusted EBITDA” section;

“**Alterra**” means Alterra Power Corp;

“**Alterra Acquisition**” has the meaning attributed under the section “General Development of the Business – Three Year Summary – Financial Year 2018”;

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

“**Appellants**” means collectively Harrison Hydro Project Inc., Fire Creek Project Limited Partnership, Lamont Creek Project Limited Partnership, Stokke Creek Project Limited Partnership, Tipella Creek Project Limited Partnership and Upper Stave Project Limited Partnership;

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

“**Alterra Arrangement Agreement**” means the arrangement agreement between the Corporation and Alterra where the Corporation acquired all of the issued and outstanding shares of Alterra;

“**Ashlu Creek Facility**” means the 49.9 MW hydroelectric power facility located on Ashlu Creek in BC;

“**Barbers Point Solar Project**” means the 15 MW Solar and the 60 MWh battery storage project located on the island of O’ahu;

“**BayWa**” means BayWa r.e.;

“**BC**” means the Province of British Columbia, Canada;

“**BC Hydro**” means British Columbia Hydro and Power Authority;

“**BCUC**” means the British Columbia Utilities Commission;

“**BCUC Order**” means the Order G-278-19, dated November 8, 2019;

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

“**Big Silver Creek Facility**” means the 40.6 MW hydroelectric facility located approximately 40 km north of Harrison Hot Springs in BC;

“**Big Silver Creek LP**” means Big Silver Creek Limited Partnership;

“**BlackRock**” means BlackRock Real Assets which owns 49% of the Flat Top Wind Farm located in the U.S.;

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

“**Boulder Creek Facility**” means the 25.3 MW hydroelectric facility located in BC;

“**Brown Lake EPA Renewal**” as the meaning attributed under “General Development of the Business – Three Year Summary – Financial Year 2018”;

“**Cartier Operating Entities**” has the meaning attributed under the “General Development of the Business – Three Year Summary – Financial Year 2018”;

“**Cartier Credit Facility**” as the meaning attributed under “General Development of the Business – Three Year Summary – Financial Year 2018”;

“**Cartier Wind Farms**” means collectively Baie-des-Sables, Carleton, Gros-Morne, L’Anse-à-Valleau and Montagne Sèche wind farms located in Québec;

“**CDPQ**” means la Caisse de dépôt et placement du Québec;

“**Cfd Contract**” has the meaning attributed under “Renewable Power In Some Other Markets”;

“**CHI**” has the meaning attributed thereto under “Description of the Business and Assets of the Corporation – Operating Facilities – Operating Facilities – Hydroelectric Operating Facilities”;

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

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

“**Cold Springs Wind Farm**” means a 23 MW wind farm located in Elmore County, Idaho, U.S.;

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

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

“**Covid-19**” means an infectious disease caused by a newly discovered coronavirus;

“**CPI**” means the consumer price index for Canada;

“**CPP**” means the Clean Power Plan as further detailed under the “Renewable Power in the U.S.” section;

“**Credit Ratings**” has the meaning attributed thereto under subsection “Credit Rating may not reflect actual performance of the Corporation or a lowering of (downgrade) the credit rating may occur”;

“**CREZ**” means Competitive Renewable Energy Zones as further detailed under the “Renewable Power in the U.S.” section.

“**Desert Meadow Wind Farm**” means a 23 MW wind farm located in Elmore County, Idaho, U.S.;

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

“**DFN**” means the Douglas First Nation band;

“**Douglas Creek Facility**” means the 27 MW hydroelectric facility located nearby the confluence of Douglas Creek with Little Harrison Lake in BC;

“**Duqueco Facility**” means two hydro facilities of a total of 140 MW located in Chile;

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

“**EDF**” means Électricité de France;

“**E-Llaima**” means Energia Llaima SpA;

“**EPA**” means an electricity purchase agreement;

“**EPC**” means engineering, procurement and construction;

“**ERCOT**” means the Electricity Reliability Council of Texas as further detailed under the “Renewable Power in the U.S.” section;

“**Fitch**” means Fitch Ratings, Inc. or any successor to its rating agency business;

“**Flat Top Wind Farm**” means the 200 MW wind farm located in Mills county, Texas, U.S.;

“**Fire Creek Facility**” means the 23 MW hydroelectric facility located nearby the confluence of Fire Creek with State River in BC;

“**Flat Top Wind Farm**” means the 200 MW wind farm is located in the U.S.;

“**Foard City Wind Farm**” means the 350.3 MW wind farm located Foard county, Texas, U.S.;

“**Foard City PPA**” as the meaning attributed under “General Development of the Business – Three Year Summary – Financial Year 2018”;

“**Frontera Hydro Project**” means the 109 MW hydro facility located near the Biobío river, 500 km south of Santiago, Chile.

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

“**GWh**” one million watts per hour or one million kilowatt hours;

“**Griffin Trail Wind Project**” means the 225 MW wind project located in Knox and Baylor Counties, Texas;

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

“**Hale Kuawehi Solar Project**” means the 30 MW solar energy project and 120 MWh of battery storage located in Hawaii.

“**Hammitt Hill Wind Farm**” means a 23 MW wind farm located in Elmore County, Idaho, U.S.;

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

“**Hillcrest Solar Project**” means the 200 MW solar project located in the Brown County, Ohio.

“**HHLP**” means Harrison Hydro Limited Partnership;

“**Horseshoe Bend Facility**” means the 9.5 MW hydroelectric facility located on the Payette River in Idaho, USA;

“**HS Orka**” means HS Orka hf a corporation owned directly at 53.9% by the Corporation;

“**HS Orka Transaction**” has the meaning attributed under the “General Development of the Business – Three Year Summary – Financial Year 2019”;

“**IESO**” Independent Electricity System Operator;

“**Initial Fixed Rate Period**” has the meaning attributed thereto under “Description of Capital Structure – General Description of Capital – Series A shares and Series B Shares”;

“**Investment Tax Credit**” or “**ITC**” means an investment tax credit under the United States Internal Revenue Code;

“**Innavik Hydro Project**” means the 7.5 MW hydroelectric project located near Inukjuak, in northern Québec;

“**IRP**” means the Integrated Resource Plan from BC Hydro.

“**Jarövarmi**” means Jarövarmi slhf the entity that purchase the Magma Sweden A.B.”;

“**Jimmie Creek Facility**” means the 62 MW hydroelectric facility located in the Toba Valley, north of Vancouver, BC;

“**Kahana Solar Project**” means a 20 MW solar and 80 MWh battery storage facility located on the island of Maui;

“**km**” means kilometer;

“**Kokomo Solar Farm**” means a 6 MW solar farm located in Indiana, U.S.;

“**Kwoiek Creek Facility**” means the 49.9 MW hydroelectric facility located on Kwoiek Creek in BC;

“**Lamont Creek Facility**” means the 27 MW hydroelectric facility located near Harrison Lake in south-western BC on Lamont Creek;

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

“**Limited Partnerships**” means collectively Fire Creek Project Limited Partnership, Lamont Creek Project Limited Partnership, Stokke Creek Project Limited Partnership, Tipella Creek Project Limited Partnership and Upper Stave Project Limited Partnership;

“**Longueval Wind Farm**” means the 10 MW wind farm located in the north-east of France, in the Grand Est region, near the town of Reims;

“**LTA**” has the meaning attributed thereto under the “Cautionary Statement on Forward-Looking Information – Principal Assumptions – Expected Production” section;

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

“**Magma Energy Sweden A.B**” means the entity that has an equity interest of 53.9% in HS Orka hf;

“**Mainline Wind Farm**” means a 23 MW wind farm located in d’Elmore County, Idaho, U.S.;

“**MD&A**” means Management’s Discussion and Analysis;

“**Mesgi’g Ugnu’s’n (MU) Wind Farm**” means the 150 MW wind farm located in the Gaspé Peninsula, in Québec;

“**Mesgi’g Uguju’s’n (MU) LP**” means Mesgi’g Uguju’s’n (MU) Wind Farm, L.P.;

“**Miller Creek Facility**” means the 33 MW hydroelectric facility located on Miller Creek, near Pemberton, BC, approximately 30 km northeast of the Resort Municipality of Whistler, BC;

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

“**Montagne Sèche Wind Farm**” means the 58.5 MW wind farm located in the Municipality of the Canton of Cloridorme, Québec;

“**MW**” means one million watts or one megawatt;

“**MWh**” means one million watts per hour or one megawatt per hour;

“**Northwest Stave River Facility**” means the 17.5 MW hydroelectric power generating facility located approximately 35 km north of Mission, BC;

“**OPG**” Ontario Power Generation’s;

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

“**Paris Agreement**” has the meaning attributed thereto under “Industry Overview and Principal Markets – Renewable Power Generation Industry”;

“**Paeahu Solar Project**” means the 15 MW solar energy project and 120 MWh of battery storage located in Maui.

“**Phoebe Solar Farm**” means the 250MW photovoltaic solar farm located in Texas, U.S.;

“**Pituvik**” means Pituvik Landholding Corporation;

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

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

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

“**PPA**” or “**EPA**” means a power purchase agreement, an electricity supply agreement, an electricity purchase agreement, a renewable energy supply contract power hedge or contract for difference;

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

“**Private Placement**” has the meaning attributed thereto under “General Development of the Business”;

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

“**Production Tax Credit**” or “**PTC**” means a production tax credit under the United States Internal Revenue Code.

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

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

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

“**Ryegrass Wind Farm**” means a 23 MW wind farm located in Elmore County, Idaho, U.S.;

“**S&P**” means Standard & Poor’s;

“**Saint-Paulin Facility**” means the 8 MW hydroelectric facility located in the Municipality of Saint-Paulin, Province of Québec;

“**Salvador Solar Farm**” means a 68 MW solar farm located in the Atacama Desert near El Salvador in the Atacama Region of Chile;

“**Securities Purchase Agreement**” means the agreement for the acquisition of the Cartier Wind Farms, as further details under

the section “General Development of the Business – Three Year Summary – Financial Year 2018”;

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

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

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

“**Series C Shares**” has the meaning attributed thereto under “Corporate Structure”;

“**Series A Offering**” has the meaning attributed thereto under “Description of Capital Structure – General Description of Capital – Series A shares and Series B Shares”;

“**Series A Conversion Date**” has the meaning attributed thereto under “Description of Capital Structure – General Description of Capital – Series A shares and Series B Shares”;

“**Series A Shares Prospectus**” has the meaning attributed thereto under “Description of Capital Structure – General Description of Capital – Series A shares and Series B Shares”;

“**Series A and Series B Terms**” has the meaning attributed thereto under “Description of Capital Structure – General Description of Capital – Series A shares and Series B Shares”;

“**Series B Conversion Date**” has the meaning attributed thereto under “Description of Capital Structure – General Description of Capital – Series A shares and Series B Shares”;

“**Series C Terms**” has the meaning attributed thereto under “Description of Capital Structure – General Description of Capital – Series C shares”;

“**Shannon Wind Farm**” means the 204 MW wind farm located in Texas, U.S.;

“**Sharing Facilities**” means collectively the six Harrison Operating Facilities, the Northwest Stave River Facility, the Tretheway Creek Facility and the Big Silver Creek Facility;

“**Spartan Solar Farm**” means a 11 MW solar farm located in Michigan, U.S.;

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

“**Stokke Creek Facility**” means the 22 MW hydroelectric facility located near Harrison Lake in south-western BC on Stokke Creek;

“**Strategic Alliance**” has the meaning attributed thereto under “General Development of the Business”;

“**Subsequent Fixed Rate Period**” has the meaning attributed thereto under “Description of Capital Structure – General Description of Capital – Series A shares and Series B Shares”;

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

“**Tipella Creek Facility**” means the 18 MW hydroelectric facility located near Harrison Lake in south-western BC on Tipella Creek;

“**Tonnerre Storage Project**” means a 9 MWh battery storage capacity project located in Bourgogne-Franche-Comté, France;

“**Tretheway Creek Facility**” means the 21.2 MW hydroelectric facility located approximately 50 km north of Harrison Hot Springs in BC;

“**Two Ponds Wind Farm**” means a 23 MW wind farm located in Elmore County, Idaho, U.S.;

“**TSX**” means the Toronto Stock Exchange;

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

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

**“Upper Stave River Facility”** means the 33 MW hydroelectric facility located near Harrison Lake in south-western BC on Stave River;

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

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

**“Viger-Denonville Wind Farm”** means the 24.6 MW wind farm located in the Municipalities of Saint-Paul-de-la-Croix and Saint-Épiphan, Québec;

**“Walden EPA Renewal”** has the meaning attributed thereto under “General Development of the Business – Three-Year Summary – Financial Year 2018”;

**“Walden North Facility”** means a 16 MW hydroelectric facility located on private land in Cayoosh Creek near Lillooet, BC;

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

**“Yonne Wind Farm”** means the 44 MW wind farm located in the region of Bourgogne in France;

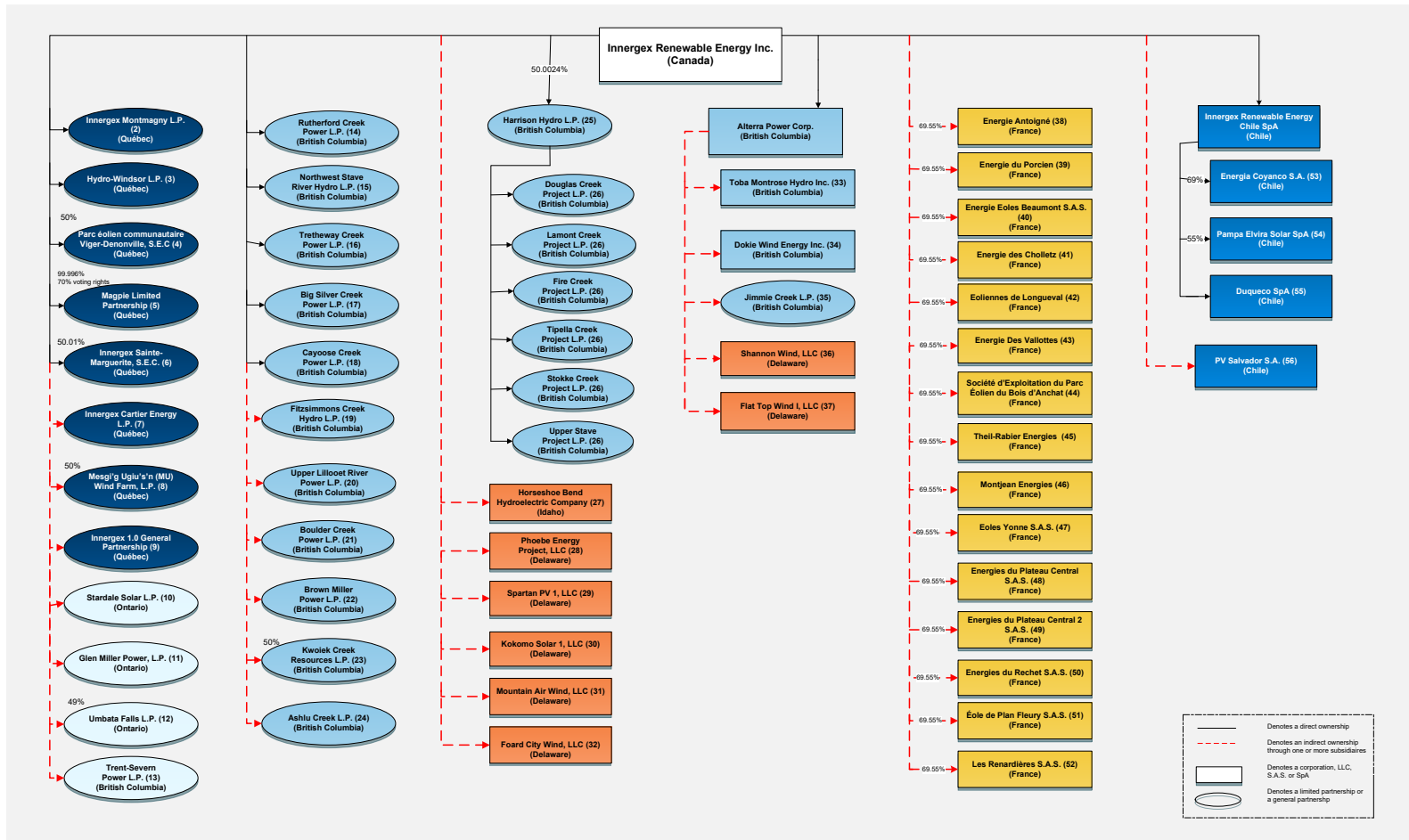
**“Yonne II Wind Project”** means a 6.9 MW wind project and is an extension of the Yonne Wind Farm located in Bourgogne-Franche-Comté, France.



# SCHEDULE A

## CORPORATE STRUCTURE

The following chart outlines the corporate structure of the Corporation and its material subsidiaries<sup>(1)</sup> as well as certain other material ownership interests held by the Corporation as at the date of this AIF.



- (1) Unless otherwise indicated, the Corporation has a 100% direct or indirect interest in the entity. The Corporation has a 100% direct or indirect interest in the general partners of the limited partnership unless described otherwise in the following notes.
- (2) Innergex Montmagny, L.P. owns the Montmagny Facility.
- (3) Hydro-Windsor, L.P. owns the Windsor Facility.
- (4) Parc éolien communautaire Viger-Denonville, S.E.C. owns the Viger-Denonville Wind Farm and its general partner is Parc éolien communautaire Viger-Denonville Inc., which is 50% owned by Innergex Inc.
- (5) Magpie Limited Partnership owns the Magpie Facility.
- (6) Innergex Sainte-Marguerite, S.E.C. owns the Ste-Marguerite Facility.
- (7) Innergex Cartier Energy L.P. owns 100% of the AAV, CAR, GM and MS Wind Farms.
- (8) Mesgi'g Uguju's'n (MU) Wind Farm, L.P., owns the Mesgi'g Uguju's'n (MU) Wind Farm and its general partner is Mesgi'g Uguju's'n (MU) Wind Farm Inc., which is 50% owned by Innergex.
- (9) Innergex 1.0 General Partnership owns the St-Paulin, Chaudière and Portneuf Facilities and the BDS Wind Farm;
- (10) Stardale Solar LP owns the Stardale Solar Farm.
- (11) Glen Miller Power, LP owns Glen Miller Facility.
- (12) Umbata Falls L.P. owns the Umbata Falls Facility and its general partner is Begetekong Power Corporation, which is 49% owned by Innergex.
- (13) Trent-Severn Power, LP owns the Batawa Facility.
- (14) Rutherford Creek Power L.P. owns the Rutherford Creek Facility.
- (15) Northwest Stave River Hydro Limited Partnership owns the Northwest Stave Facility.
- (16) Tretheway Creek Power Limited Partnership owns the Tretheway Creek Facility.
- (17) Big Silver Creek Power Limited Partnership owns the Big Silver Creek Facility.
- (18) Cayoose Creek Power L.P. owns the Walden North Facility and its general partner is Cayoose Creek Power Inc., which is 80% owned by the Corporation.
- (19) Fitzsimmons Creek Hydro LP owns the Fitzsimmons Creek Facility.
- (20) Upper Lillooet River Power Limited Partnership owns the Upper Lillooet River Facility.
- (21) Boulder Creek Power Limited Partnership owns the Boulder Creek Facility.
- (22) Brown Miller Power Limited Partnership owns the Brown Lake and the Miller Creek Facilities.
- (23) Kwoiek Creek Resources L.P. owns the Kwoiek Creek Facility and its general partner is Kwoiek Creek Resources GP Inc., which is 50% owned by Innergex.
- (24) Ashlu Creek Investments L.P. owns the Ashlu Creek Facility.
- (25) Harrison Hydro Limited Partnership owns the limited partnership units of each of the 6 Harrison Operating Facilities. The general partner of Harrison Hydro Limited Partnership is Harrison Hydro Inc., wholly-owned by Cludworks Holdings Inc., which is 50% owned by the Corporation.
- (26) The 6 Harrison Operating Facilities consisting of Douglas Creek Project Limited Partnership, Fire Creek Project Limited Partnership, Lamont Creek Project Limited Partnership, Stokke Creek Project Limited Partnership, Tipella Creek Project Limited Partnership and Upper Stave Project Limited Partnership own their respective projects and their general partner is Harrison Hydro Project Inc., which is wholly-owned subsidiary of Harrison Hydro Limited Partnership.
- (27) Innergex USA, Inc. owns a 100% of the Horseshoe Bend Facility.
- (28) Phoebe Energy Project, LLC owns 100% of the Phoebe Solar Farms.
- (29) Spartan PV 1, LLC owns 100% of the Spartan Solar Farm, which the Corporation owns a 100% sponsor equity interest.
- (30) Kokomo Solar 1, LLC owns 100% of the Kokomo Solar Farm, which the Corporation owns a 90% sponsor equity interest.
- (31) Mountain Air Wind, LLC owns 100% of the Cold Springs, Desert Meadow, Hammett Hill, Mainline, Ryegrass and Two Ponds Wind Farms;
- (32) Foard City Wind, LLC owns 100% of the Foard City Wind Farm.
- (33) Toba Montrose Hydro Inc. owns 100% of the East Toba and the Montrose Creek Hydroelectric Facilities, which is 40% owned by the Corporation.
- (34) Dokie Wind Energy Inc. owns 100% of the Dokie Wind Farm, which is 25.5% owned by the Corporation.
- (35) Jimme Creek Limited Partnership owns 100% of the Jimme Creek Hydroelectric Facility, which is 51% owned by the Corporation.
- (36) Shannon Wind, LLC owns 100% of the Shannon Wind Farm, which the Corporation owns a 50% sponsor equity interest.
- (37) Flat Top Wind I, LLC owns 100% of the Flat Top Wind Farm, which the Corporation owns a 51% sponsor equity interest.
- (38) The Corporation owns 69.55% of Energie Antoigné which owns the Antoigné Wind Farm.
- (39) The Corporation owns 69.55% of Energie du Porcien which owns the Porcien Wind Farm.
- (40) The Corporation owns 69.55% of Energie Eoles Beaumont S.A.S. which owns the Beaumont Wind Farm.
- (41) The Corporation owns 69.55% of Energie des Cholletz which owns the Cholletz Wind Farm.
- (42) The Corporation owns 69.55% of Eoliennes de Longueval which owns the Longueval Wind Farm.
- (43) The Corporation owns 69.55% of Energie des Vallottes which owns the Vallottes Wind Farm.
- (44) The Corporation owns 69.55% of Société d'Exploitation du Parc Éolien du Bois d'Anchat which owns the Bois d'Anchat Wind Farm.
- (45) The Corporation owns 69.55% of Theil-Rabier Energies which owns the Theil-Rabier Wind Farm.
- (46) The Corporation owns 69.55% of Montjean Energies which owns the Montjean Wind Farm.
- (47) The Corporation owns 69.55% of Éoles Yonne S.A.S. which owns the Yonne Wind Farm.
- (48) The Corporation owns 69.55% of Energies du Plateau Central S.A.S. which owns the Rougemont-1 Wind Farm.
- (49) The Corporation owns 69.55% of Energies du Plateau Central 2 S.A.S. which owns the Rougemont-2 Wind Farm.
- (50) The Corporation owns 69.55% of Energies du Rechet S.A.S. which owns the Vaite Wind Farm.
- (51) The Corporation owns 69.55% of Éoles de plan Fleury S.A.S. which owns the Plan Fleury Wind Farm.
- (52) The Corporation owns 69.55% of Les Renardières S.A.S. which owns the Les Renardières Wind Farm.
- (53) Energia Coyanco S.A. owns 100% of the Guayacán Facility.
- (54) Pampa Elvira Solar SpA owns 100% of the Pampa Elvira Solar Farm.
- (55) Duqueco SpA owns 100% of the Mampil and Peuchén Facilities.
- (56) PV Salvador S.A. owns 100% of the Salvador Solar Farms.

# SCHEDULE B

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## CHARTER OF THE AUDIT COMMITTEE

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

### 1. Role

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

- A. Compliance of the Corporation with respect to applicable governmental and authorities' legislation and regulation pertaining to financial information disclosure;
- B. Adequacy of the accounting principles and decisions regarding the presentation of financial statements, in accordance with generally accepted accounting principles;
- C. Fair presentation of the Corporation's financial situation in its quarterly and annual financial statements;
- D. Timely disclosure of relevant information to shareholders and to the general public; and
- E. Implementation of efficient internal controls for all of the Corporation's transactions and review of such controls on a regular basis.

### 2. Composition

#### 2.1 Number and criteria

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

The Committee shall consist of at least three members.

#### 2.2 Selection and Chair

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

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

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



## **2.3 Remuneration**

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

## **3. Meetings**

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

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

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

The Committee shall determine any desired agenda items.

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

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

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

## **4. Responsibilities**

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

### **4.1 Relationship with external auditor**

- Recommend to the Board the appointment and compensation of the external auditor;
- Review the scope and plans of the external auditor's audit and reviews. The Committee may authorize the external auditor to perform supplemental reviews or audits as the Committee may deem desirable;
- Oversee the work of the external auditor, including the resolution of any issues between the external auditor and Management;
- Pre-approve all non-audit services (or delegating such pre-approval if and to the extent permitted by law) to be provided to the Corporation or its subsidiaries by the external auditor;
- Review and discuss, on an annual basis, with the external auditor all significant relationships they have with the Corporation to assess their independence;
- Review the performance of the external auditor and any proposed discharge of the external auditor when circumstances warrant;

- Periodically consult with the external auditor without Management about significant risks or exposures, internal controls and other steps that Management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper;
- Arrange for the external auditor to be available to the Committee and the Board as needed; and
- Consider the external auditor's judgment about the quality, transparency, appropriateness and not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices.

#### **4.2 Financial information and public disclosure**

- Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related to third party transactions;
- Consider any proposed major changes to the Corporation's accounting principles and practices;
- If considered appropriate, establish separate systems of reporting to the Committee by the Management and the external auditor;
- Review and recommend the approval of the annual and quarterly financial statements, related management discussion and analysis, annual and interim earnings press releases and Annual Information Form before such information is publicly disclosed;
- Oversee the implementation of adequate procedures for the review of the Corporation's public disclosure of financial information, other than those described in the above paragraph, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures;
- Review the public disclosure regarding the Committee required by Regulation 52 110;
- Review the integrity of the financial reporting processes, both internal and external, in consultation with the external and the internal auditors;
- Periodically meet with the internal auditor;
- Following completion of the annual audit and, if applicable, quarterly reviews, review separately with the Management, the internal auditor and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the internal auditor and the external auditor received during the course of the audit and, if applicable, reviews; and
- Review with the external auditor, the internal auditor and Management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.

#### **4.3 Other matters**

- Establish procedures for (i) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters, and (ii) the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- Review and approve the Corporation's hiring policies regarding current or former partners or employees of the current and former auditors of the Corporation or its subsidiaries;
- Review activities, organizational structure and qualifications of the Chief Financial Officer and the staff in the financial reporting area and see to it that matters related to succession planning are raised for consideration by the Board; and

- Review Management's program of risk assessment and steps taken to address significant risks or exposures of all types, including insurance coverage and tax compliance and, in particular, assess the Corporation's financial risks and supervise Management's program to address such risks.
- Notwithstanding the foregoing, it is not the duty of the Committee to prepare financial statements, to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with International Financial Reporting Standards, to conduct investigations, or to assure compliance with laws and regulations or the Corporation's internal policies, procedures and controls, as these are the responsibility of Management and in certain cases the external auditor, as the case may be.

#### 5. Advisors

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

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

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

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

#### 6. Assessment

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

#### 7. Charter review

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

#### 8. General

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

# INNERGEX

Renewable Energy.  
Sustainable Development.

We are building a better world  
with renewable energy.

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