



BORALEX

A large, semi-transparent background photograph occupies the lower half of the page. It shows the back of a female worker wearing a white hard hat, safety glasses, and a bright yellow high-visibility vest. She is looking towards a dirt road that leads into a field at sunset. The sky is filled with warm orange and yellow hues. The overall composition is professional and conveys a sense of industry and environmental responsibility.

**ANNUAL
INFORMATION FORM**

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

February 22, 2022



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1. Information incorporated by reference

The audited consolidated financial statements of Boralex Inc. (“Boralex” or the “Corporation”) for the year ended December 31, 2021 and the notes thereto as well as the related Management’s Discussion and Analysis of the operating results, cash flow and financial position are specifically incorporated herein by reference. Copies of these documents and other information about the Corporation may be obtained at www.sedar.com or www.boralex.com.

2. Notice concerning forward-looking statements

This Annual Information Form and the documents incorporated by reference herein contain forward-looking statements based on current expectations, within the meaning of securities legislation. Positive or negative verbs such as “will,” “would,” “forecast,” “anticipate,” “expect,” “plan,” “project,” “continue,” “intend,” “assess,” “estimate” or “believe,” or expressions such as “toward,” “about,” “approximately,” “to be of the opinion,” “potential” or similar words or the negative thereof, or other comparable terminology are used to identify such statements. In particular, this Annual Information Form and the documents incorporated by reference herein contain forward-looking statements on the Company’s strategies, strategic plan, business model (including with respect to results and performance for future periods, targets for installed capacity, EBITDA(A)¹ and discretionary cash flow², organic growth and growth through mergers and acquisitions, achievement of an investment grade credit rating by 2025, maintenance of the quarterly dividend at \$0.1650 per share) and objectives related to the corporate social responsibility (CSR) strategy,) the renewable energy production projects in the pipeline or on the Corporation’s Growth path and their expected performance, EBITDA(A), EBITDA(A) margins and discretionary cash flow targets of Boralex or those expected to be generated in the future, the Corporation’s forecasted financial results, future financial position, net installed capacity or megawatt growth objectives, including those set in connection with the Corporation’s pipeline of projects and Growth path, growth outlook, the expected timing of project commissioning, planned production³, capital expenditure and investment programs, access to credit facilities and financing, capital tax, income tax, risk profile, cash flows and earnings and their components, the amount of distributions and dividends to be paid to securityholders, as well as the anticipated distribution ratio⁴, the dividend policy and the timing of such distributions and dividends. Actual events or results may differ materially from those expressed in such forward-looking statements.

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

Boralex would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results or the measures it adopts could differ materially from those indicated by or underlying these statements, or could have an impact on the degree of realization of a particular forward-looking statement. The main factors that could lead to a material difference between the Corporation’s actual results and the forward-looking financial information or expectations set forth in this Annual Information Form and the documents incorporated by reference include, but are not limited to, the general impact of economic conditions, currency fluctuations, volatility in energy selling prices, the Corporation’s financing capacity, competition, changes in general market conditions, the regulations governing the industry, raw material price increases and availability, litigation and other regulatory issues related to projects in operation or under development, as well as other factors described in the sections on risks factors and uncertainties which are contained in the Management’s Discussion & Analysis of Boralex for the year ended December 31, 2021.

¹ EBITDA(A) is a total of segments measures. For more details, see the *Non-IFRS financial measures and other financial measures* section in the MD&A for the year ended December 31, 2021.

² The term discretionary cash flows is a non-GAAP measure and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS financial measures and other financial measures* section in the MD&A for the year ended December 31, 2021.

³ Planned production is a supplementary financial measure. For more details, refer to the *Non-IFRS financial measures and other financial measures* section of the MD&A for the year ended December 31, 2021.

⁴ The term distribution ratio is a non-GAAP ratio and does not have a standardized meaning under IFRS. Accordingly, it may not be comparable to similarly named ratios used by other companies. For more details, see the *Non-IFRS financial measures and other financial measures* section in the MD&A for the year ended December 31, 2021.

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

3. General

This Annual Information Form is dated February 22, 2022. All information contained in this Annual Information Form is as of December 31, 2021, unless otherwise specified. All financial information presented in this Annual Information Form, as well as tabular information, is in Canadian dollars.

Corporate structure

Name and incorporation of the Corporation

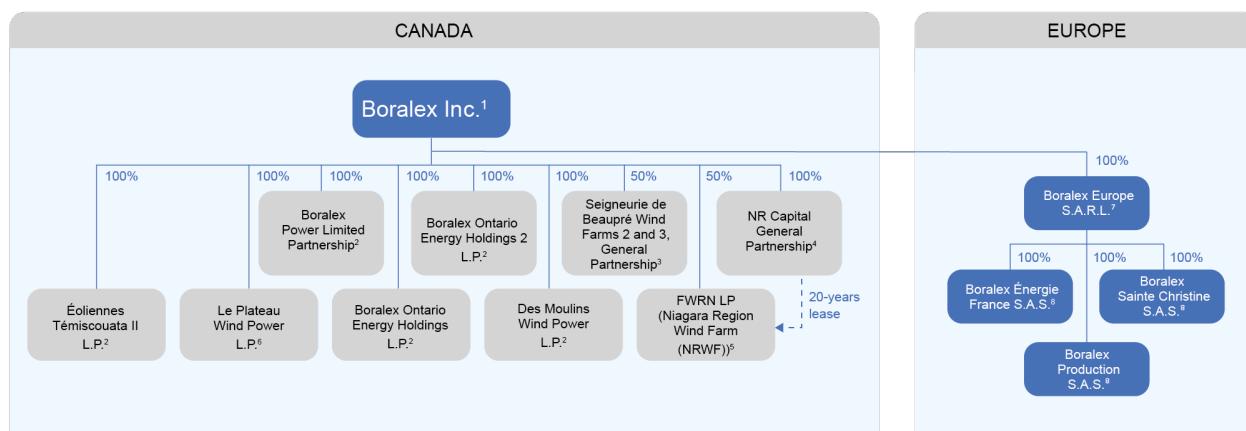
Boralex was incorporated on November 9, 1982 under the *Canada Business Corporations Act*. Certificates of Amendment were subsequently issued to the Corporation primarily in order to amend its authorized capital, its corporate name and the place of its registered office.

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

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

Inter-corporate relationships

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



(1) Jurisdiction of incorporation: Canada.

(2) Jurisdiction of incorporation: Québec.

(3) Jurisdiction of incorporation: Ontario.

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

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

(6) Jurisdiction of incorporation: Manitoba.

(8) Jurisdiction of incorporation: Manitoba.

4. General development of the business

Boralex is a power producer whose core business is dedicated to the development and operation of renewable energy power stations in Canada, France, the United States and the United Kingdom. As of the date of this Annual Information Form, the Corporation operates 90 wind farms, 12 solar energy facilities, 16 hydroelectric power stations and one thermal power station representing an asset base with a net installed capacity of 2,492 MW, namely 1,121 MW in Canada, 1,081 MW in France and 290 MW in the United States. Boralex is also engaged in projects under development representing more than 647 MW, including 154 MW under construction or ready-to-build that will be commissioned by the end of 2021. Substantially all of Boralex's operating assets are subject to indexed, fixed-price energy sales contracts or feed-in premium contracts setting floor prices¹. With more than 560 employees, Boralex is known for its diversified expertise and in-depth experience in four power generation types — wind, solar, hydroelectric and thermal. Boralex's Class A common shares are listed on the Toronto Stock Exchange (the "TSX") under the ticker symbol "BLX".

Three-year history

2019

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

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

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

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

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

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

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

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

¹ Feed-in premiums, which are in substance a government grant in the form of a premium between the energy sales prices and a contractually agreed price for each contract.

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

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

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

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

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

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

2020

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

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

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

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

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

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

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

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

On November 23, 2020, the Corporation announced that it has entered into agreements with Centaurus Renewable Energy LLC ("CRE") and certain other investors to acquire their controlling interests in seven solar plants, located in the United States, for a purchase price of \$275 million (US\$214 million). The operating solar plants totaling 209 MW of gross installed capacity (118 MW net) are located in California, in Alabama and in Indiana. The assets were commissioned between 2014 and 2017 and benefit from long-term power purchase agreements with the Regents of the University of California, Alabama Power Company, PG&E, Southern California Edison, City of Palo Alto, and Indianapolis Power & Light, expiring between 2029 and 2046 with a remaining weighted average close to 21.5 years on the PPAs, as of January 2021.

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

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

2021

On January 25, 2021, the Corporation announced the closing of a transaction with Delaware River Solar, LLC to acquire the Sky High solar farm project (20 MW) located in New York State.

On February 2, 2021, the Corporation announced the closing of its previously announced acquisition of CRE's majority interests in a portfolio of seven solar farms located in the United States for cash consideration of \$275 million (US\$214 million). The seven solar farms have a total gross installed capacity of 209 MW (net 118 MW).

On February 4, 2021, the Corporation announced a historic partnership with the Innu nation. The agreement concluded provides for the signing of a 30-year between Hydro-Québec Production and Parc éolien Apuiat S.E.C., an entity jointly held by Innu communities and Boralex for the purchase of electricity that will be produced by the Apuiat wind farm.

On April 29, 2021, the Corporation announced the signing of a renewable power purchase agreement in France, under which IBM France will purchase renewable electricity from the Corporation. The contract, which came into effect on January 1, 2021, covers a period of five years.

On April 30, 2021, the Company announced the sale of the Blendecques cogeneration plant (12 MW), the last thermal asset in its French portfolio. The sale was made to paper manufacturer Norpaper, Boralex's long-time partner in Blendecques and the sole beneficiary of the thermal energy produced by the power station produced by the power station.

On May 3, 2021, the Corporation announced the commissioning of the Bazougeais wind farm (12 MW), located in the Ille-et-Vilaine department in France. The wind farm has a 20-year feed-in premium contract with EDF.

On June 2, 2021, the Corporation announced the appointment of Alain Pouliot as Vice President, Operations North America. He has joined the Corporation's Executive Committee.

On June 17, 2021, the Corporation unveiled its updated strategic plan and introduced its new 2025 corporate objectives. The Corporation continues to build on the four key strategic directions of the plan launched in 2019: growth, diversification, customer and optimization. The strategic plan also incorporates Boralex's corporate social responsibility (CSR) strategy.

On June 30, 2021, the Corporation announced the signing of a 15-year "fleet" service contract with Vestas France. This contract, which came into effect on June 1, 2021, covers the assets in Boralex's portfolio in France that are equipped with Vestas wind turbines.

On August 2, 2021, the Corporation announced the commissioning of the Plaine d'Escrebieux Extension wind farm (14 MW), located in the Pas-de-Calais department in France. The wind farm has a 20-year feed-in premium contract with EDF.

On November 23, 2021, the Corporation announced the commissioning of the La Grande Borne wind farm (9 MW), located in the Aisne department in France. The wind farm has a 20-year feed-in premium contract with EDF.

On November 30, 2021, the Corporation announced the signature of a 20-year power purchase agreement with METRO France. This so-called "additionality" contract will allow for the financing and construction of the Grange du Causse solar power plant (16 MW), located in Occitania, France.

On December 7, 2021, the Corporation announced the commissioning of its first floating solar farm located in Peyrolles-en-Provence (12 MW), France. The solar power plant benefits from a 20-year feed-in premium contract with EDF.

5. Description of the business

Principal Financial Information

| | Consolidated | | Combined ⁽¹⁾ | |
|--|--------------|-------|-------------------------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| In millions of dollars, unless otherwise specified | | | | |
| NET INSTALLED CAPACITY (MW) | 2,492 | 2,246 | 2,492 | 2,246 |
| POWER PRODUCTION (GWh)⁽²⁾ | 5,552 | 4,727 | 6,215 | 5,834 |
| Wind power stations | 4,135 | 3,794 | 4,798 | 4,901 |
| Hydroelectric power stations | 789 | 746 | 789 | 746 |
| Solar power stations | 483 | 21 | 483 | 21 |
| Thermal power stations | 145 | 166 | 145 | 166 |
| FINANCIAL HIGHLIGHTS | | | | |
| Revenues from energy sales | 671 | 619 | 743 | 738 |
| Wind power stations | 542 | 526 | 614 | 645 |
| Hydroelectric power stations | 64 | 63 | 64 | 63 |
| Thermal power stations | 44 | 5 | 44 | 5 |
| Solar power stations | 21 | 25 | 21 | 25 |
| EBITDA (A)⁽³⁾ | 490 | 434 | 535 | 513 |
| Wind power stations | 475 | 464 | 517 | 541 |
| Hydroelectric power stations | 47 | 45 | 47 | 45 |
| Solar power stations | 37 | 3 | 37 | 3 |
| Thermal power stations | 4 | 2 | 4 | 2 |
| Corporate and eliminations | (73) | (80) | (70) | (78) |
| Earnings from operations | 182 | 172 | 219 | 225 |
| Net earnings | 26 | 61 | 30 | 56 |
| Net earnings attributable to shareholders of Boralex | 17 | 55 | 21 | 50 |
| Net earnings per share (basic and diluted) attributable to shareholders of Boralex (in dollars) | 0.16 | 0.55 | 0.21 | 0.51 |
| Net cash flows related to operating activities | 345 | 362 | 364 | 399 |
| Cash flows from operations⁽¹⁾ | 363 | 338 | - | - |
| FINANCIAL POSITION | | | | |
| Total assets | 5,751 | 5,314 | 6,162 | 5,753 |
| Debt – Principal balance | 3,682 | 3,609 | 4,030 | 3,976 |

⁽¹⁾ The terms Combined and Cash flows from operations are non-GAAP measures and do not have a standardized meaning under IFRS. Accordingly, they may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS financial measures and other financial measures* section in the MD&A for the year ended December 31, 2021.

⁽²⁾ Power production includes the production for which Boralex received financial compensation following power generation limitations imposed by its clients since management uses this measure to evaluate the Corporation's performance. This adjustment facilitates the correlation between power production and revenues from energy sales and feed-in premium.

⁽³⁾ (3) EBITDA(A) is a total of segments measure. For more details, see the *Non-IFRS financial measures and other financial measures* section in the MD&A for the year ended December 31, 2021.

Independent power generation

Canadian power industry

Under the Canadian Constitution, the generation of electricity through the exploitation of natural resources falls mainly under the jurisdiction of the provinces and territories. Consequently, the power industry in Canada is structured according to provincial models. In most provinces, the industry is very integrated, with the production, transportation and distribution being provided in large part by a few large and dominant public service providers. Although some public service providers are private, for the most part they are Crown Corporations. In December 2020, the federal government launched the *Canada's Strengthened climate plan* to protect Canada's environment, create jobs and support communities. Several more ambitious commitments regarding the climate have been announced that should lead to a lower carbon economy. This plan provides among others, starting in 2023, an annual increase in the price of a ton of carbon of \$15 per year with a target of \$170 per ton by 2030 and additional investments to increase the modernization and decarbonation of electrical grid. This includes support to increase production capacities from renewable energies such as wind and solar power, as well as storage of energy. Through this climate plan and several actions undertaken since then, the Government of Canada has renewed its commitment to continue working with the provinces, public services and other partners to achieve its target to reduce greenhouse gas ("GHG") emissions by 45% from 2005 levels by 2030, transition to a carbon-neutral electricity grid by 2035, and achieve carbon neutrality by 2050.

Québec power industry

Regulatory and political framework

Hydro-Québec is one of the largest electric utilities in North America. Its sole shareholder is the Québec government. Under its incorporating statute, Hydro-Québec is given broad powers to generate, supply and deliver electric power throughout Québec. Hydro-Québec was mandated to purchase all the electric power produced by independent power producers in Québec.

Since December 1996, the *Régie de l'Énergie* of Québec (the "Régie") has provided a regulatory framework for energy distribution. As a result, electricity rates in Québec are subject to its approval. Hydro-Québec's transmission and distribution activities are subject to the conventional form of regulation based on the cost of service for those activities. As for power generation, the *Act respecting the Régie de l'énergie* states that the Québec government shall dictate the initial conditions for establishing supply rates, which represent the energy portion of the customer's bill.

An *Act to amend the Act respecting the Régie de l'énergie and other legislative provisions* was adopted in June 2000. This Act modifies the Régie's jurisdiction in regards to electric power rates, introduces more competition into the electricity market, makes the Régie's mode of operation more flexible, and broadens its sources of funding. It establishes the procedure for setting the rates and conditions applicable to the transmission and distribution of electric power.

Pursuant to the *Watercourses Act* (Québec), hydroelectric power plants are subject to a royalty payable to the *Ministère des Ressources naturelles du Québec*. This royalty is indexed annually according to the CPI.

After consulting stakeholders, the Québec government decided to adopt an energy policy applicable until 2030 (the "Policy"). Through the Policy, the Québec government has adopted as targets increasing total renewable energy production by 25%; by 2030. Most recently, in November 2020, the Minister of the *Environnement et de la lutte contre les changements climatiques* unveiled the *Plan pour une économie verte*, which provides, among other things, that Quebec will reduce its GHG emissions by 37.5% compared to 1990 levels by 2030 and will reach carbon neutrality by 2050. With respect to wind energy, the Québec government and Hydro-Québec have recognized that this source of energy is the most competitive and the most likely to meet Quebec's growing needs. Thus, the government and Hydro-Quebec have revived the wind energy sector by signing a power purchase agreement for the Apuiat project (200 MW), launched a first wind energy call for tenders for 300 MW and intends to pursue a wind energy supply program in the coming years.

British Columbia power industry

Regulatory and political framework

The principal supplier of power in British Columbia is the provincial Crown Corporation, BC Hydro. BC Hydro is regulated by the British Columbia Utilities Commission ("BCUC"), an independent regulatory agency which operates under the *Utilities Commission Act* and the *Clean Energy Act*. The primary purpose of the BCUC is the regulation of the province's natural gas and electricity utilities.

Since the 1980's, BC Hydro has been acquiring power from independent power producers ("IPPs") in order to satisfy British Columbia's electricity needs. In order to acquire electricity from the private sector, primarily IPPs, BC Hydro employs either competitive calls, standard or open offers, or bilateral arrangements.

In 2007 and 2010, the Legislative Assembly of British Columbia passed the *Climate Change Accountability Act* and the *Clean Energy Act*. These acts set out the province's energy objectives, notably to reduce GHG emissions by 40% by the year 2030 based on 2007 levels, to achieve electricity self-sufficiency, and to generate at least 93% of the electricity in British Columbia from clean or renewable resources.

BC's government issued a further updated and more ambitious long-term climate action plan, called the *CleanBC Roadmap to 2030* (December 2018, updated October 2021) which, among other things, requires that all new buildings be "zero carbon" by 2030, and that all new light-duty vehicles sold be zero-emission by 2035, and commits to a 100% clean electricity delivery standard. The *CleanBC Roadmap to 2030* also accelerates the GHG reduction targets to reach net-zero by 2050.

In December 2021, BC Hydro submitted its Integrated Resource Plan (the "IRP") for review by the BCUC. This plan does not anticipate new energy needs until 2029 or new capacity needs until 2032. Several avenues will be considered to meet these future needs, including energy efficiency and dynamic pricing, renewing agreements with independent power producers, upgrading BC Hydro's generating facilities and transmission system, and adding new supply.

Ontario power industry

Regulatory and political framework

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

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

In its most recent planning report, the Annual Planning Outlook, IESO projects a significant increase in energy and capacity requirements over the next 20 years. New capacity requirements already identified in the summer are now expected to be needed in the winter as early as 2023. IESO plans to meet these needs through short-term capacity tenders. IESO is continuing its consultation and engagement activities to identify supply and market mechanisms to meet these needs.

France power industry

Regulatory and political framework

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

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

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

For land-based wind energy, the purchase obligation was replaced on December 13, 2016 by the additional remuneration mechanism. Since 2017, new projects can take advantage of this feed-in premium mechanism via two eligibility processes: (i) under an “open window” program, for projects consisting of up to 6 turbines, with a maximum power of 3 MW each, and (ii) beyond the aforementioned threshold, applicants can take advantage of the feed-in premium mechanism through requests for proposals held twice a year planned until 2026.

For solar energy, a system of competitive tender held twice a year planned until 2026 has been implemented to allow new land-based projects to take advantage of the feed-in premium mechanism.

Since 2022, a ‘technology-neutral’ tender, held once a year, has been implemented and is planned until 2026.

The installed on-shore wind and solar power in France are respectively 18.4 GW and 12.3 GW as of September 30, 2021. In May 2020, the government sets new goals for 2023 and 2028 as part of the *Programmation pluriannuelle de l'énergie*. For on-shore wind power, goals are 24.1 GW in 2023 and between 33.2 and 34.7 GW in 2028. For solar energy, goals are 20.1 GW in 2023 and between 35.1 and 44 GW in 2028.

United States power industry

Regulatory and political framework

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

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

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

New York State

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

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

During New York Governor’s State of the State, Kathy Hochul expressed her commitment to the New York climate agenda, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy.

Governor Hochul announced the results of the Tier 4 RFP. Two renewable energy transmission projects were selected: the Clean Path NY (“CPNY”) project, developed by Forward Power (a joint venture of Invenergy and EnergyRe) and the New York Power Authority, and the Champlain Hudson Power Express (“CHPE”) project, developed by Transmission Developers, Inc. (backed by Blackstone) and Hydro-Québec. Together, these projects could provide New York City with approximately 18 million MWh of renewable energy per year, enough to power more than 2.5 million homes. These two renewable energy transmission projects will support the construction of projects in both upstate New York and Québec.

California State

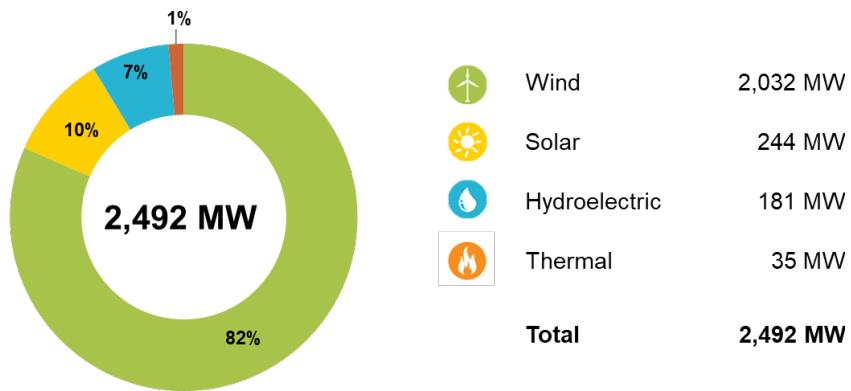
In response to PURPA and adoption of the federal Energy Policy Act of 1992 (removing barriers to competition in wholesale electricity markets), the California Public Utility Commission (CPUC) adopted its Preferred Policy Decision in 1995, to facilitate market competition in the provision of electric services and create a statewide independent system operator to manage the state’s electric transmission system. On September 23, 1996, the Governor of California signed into law Assembly Bill 1890, which was instrumental in restructuring the state’s electric utility industry as contemplated by the CPUC’s Preferred Policy Decision.

In 1998, the California Legislature established the California Independent System Operator (CAISO) as part of the state’s ongoing efforts to restructure electricity markets. While the state’s progress toward deregulation of electric markets stalled during the 2000s in part due to escalating wholesale and retail pricing and recurrent outages, the adoption in 2009 of California Senate Bill 695 (California Direct Access Program) established a minimum amount of energy supply that must be made available through deregulated markets.

The California Renewables Portfolio Standard (RPS) was established by Senate Bill 1078 adopted in 2002. In its current form, the RPS requires that 60% of the state’s electric retail sales be served by renewable resources as of 2030, and that 100% of the state’s electric supply be sourced from carbon-free, renewable resources by 2045. The CPUC’s most recent annual report on the status of and progress toward meeting the state’s RPS goals (2021 California Renewables Portfolio Standard, Annual Report), which is prepared with input from the California Energy Commission (CEC), indicates that the state is making substantial progress to achieve the current RPS objectives.

Industry sectors

Boralex is active in four industry sectors: wind, solar, hydroelectric and wood residue thermal. Each of the industry sectors includes power stations or facilities owned by subsidiaries, the whole as described below. The following diagram illustrates the distribution of the net installed capacity of Boralex’s sites by activity sector as of December 31, 2021 and reflects Boralex’s share in entities over which it does not have control:



Wind power

Energy is produced from the wind power exerted on the blades of the propeller of a wind turbine, which then activates a generator which produces electricity. Boralex holds interests in 90 wind power sites whose wind turbines are equipped with a central control system which optimizes electrical production and maintains it during unfavourable climatic conditions.

Solar power

Solar power consists of producing energy from sunlight. In Boralex’s case, photovoltaic technology is used in which photovoltaic cells composing the panels produce electricity. Boralex operates twelve solar power stations, seven of which are located in the United States, four in France and one in Ontario.

Hydroelectric power

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

Boralex operates and manages these stations from a control centre located in Kingsey Falls, Québec, allowing remote management of most planning, operating, monitoring and preventive maintenance activities relating to stations held or managed by the Corporation.

Thermal power

Thermal energy is the process of transforming elements of physical chemistry, such as wood residue, into thermal power through controlled combustion. In order to do this, the combustible material (wood residue) is inserted into a boiler. The combustion is controlled based on the required quantity and the temperature of the air. The vapour that is produced in the boiler is then injected into a turbine, where the energy which it releases is transferred into mechanical energy. The mechanical energy produced by the turbine is then transformed into electricity by the generator. Cogeneration refers to the simultaneous production of two sources of energy, electricity and steam, using only one fuel. The cogeneration technology is a development and efficiency tool ideally suited to industrial consumers.

Boralex operates one wood residue thermal power station in Québec. On February 14, 2022, the Corporation announced that it had entered into an agreement to sell this power station. The transaction is expected to close in 2022.

Description of the facilities of the Corporation

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

Wind power stations

| Power Station | Location | PPA Maturity | Installed Capacity (MW) |
|-------------------------------|----------|--------------|-------------------------|
| Ally-Mercoeur | France | 2025 | 39 |
| Artois | France | 2032 | 24 |
| Avignonet-Lauragais Phase I | France | n.a. | 8 |
| Avignonet-Lauragais Phase II | France | 2023 | 4 |
| Basse Thiérache Nord | France | 2034 | 20 |
| Bassigny | France | 2024 | 12 |
| Bazougeais | France | 2041 | 12 |
| Blanches Fosses | France | 2040 | 11 |
| Bougainville | France | n.a. | 12 |
| Calmont | France | 2030 | 14 |
| Catésis | France | 2039 | 10 |
| Cham Longe (Repowering) | France | 2040 | 40 |
| Chasse-Marée | France | 2025 | 9 |
| Chemin de Grès | France | 2032 | 30 |
| Chépy | France | 2023 | 4 |
| Clémiois | France | 2026 | 8 |
| Coat Conval | France | 2023 | 8 |
| Comes de l'Arce | France | 2030 | 10 |
| Côteaux du Blaiserons | France | 2033 | 26 |
| Coulanges | France | 2026 | 36 |
| Evits et Josaphats | France | 2021 | 12 |
| Extension Plaine d'Escrebieux | France | 2041 | 14 |
| Fond de la Plaine | France | 2022 | 4 |
| Fortel-Bonnières | France | 2029 | 24 |
| Haut de Conge | France | 2025 | 28 |
| Hauts de Comble | France | 2033 | 20 |
| Inter Deux Bos | France | 2033 | 33 |
| La Bouleste | France | 2025 | 10 |
| La Citadelle | France | 2023 | 14 |
| La Grande Borne | France | 2041 | 9 |
| La Vallée | France | 2028 | 32 |
| Le Grand Camp | France | 2025 | 10 |
| Le Pelon | France | 2033 | 10 |
| Leign ar Gasprenn | France | 2023-2024 | 8 |

| Power Station | Location | PPA Maturity | Installed Capacity (MW) |
|--|--------------------------|--------------|-------------------------|
| Les Éparmorts | France | 2023 | 12 |
| Les Moulins de Boulay | France | 2022 | 10 |
| Maurienne/Gourgançon | France | 2022 | 12 |
| Monts de Bagny | France | 2032 | 26 |
| Morlange | France | 2031 | 10 |
| Moulin à vent | France | 2026 | 10 |
| Nibas | France | 2023 | 12 |
| Noyers Bucamps | France | 2033 | 10 |
| Pannecé | France | 2024-2025 | 18 |
| Plaine de Beaunay | France | 2032 | 12 |
| Plateau de Langres | France | 2024 | 12 |
| Pays d'Othe | France | 2029 | 8 |
| Plateau de Savernat (Quinssaines) | France | 2031-2032 | 16 |
| Plouguin | France | 2023 | 8 |
| Remise Reclainville | France | 2021 | 12 |
| Ronchois | France | 2025 | 30 |
| Saint-André | France | 2023 | 12 |
| Saint-François | France | 2030 | 23 |
| Saint-Patrick | France | 2024-2025 | 34 |
| Santerre | France | 2040 | 15 |
| Seuil de Bapaume | France | 2040 | 17 |
| Seuil du Cambrésis | France | 2034 | 24 |
| Sources de l'Ancre | France | 2033 | 23 |
| Sources de la Loire | France | 2026 | 18 |
| Touvent | France | 2031 | 14 |
| Val aux Moines | France | 2032 | 15 |
| Vallée de L'Arce | France | 2024 | 30 |
| Vaux des Roques | France | 2024 | 8 |
| Voie des Monts | France | 2032 | 10 |
| Vron | France | 2028 | 9 |
| Zondrange | France | 2031 | 12 |
| Côte-de-Beaupré | Québec, Canada | 2035 | 24 |
| Des Moulins I | Québec, Canada | 2033 | 136 |
| Des Moulins II | Québec, Canada | 2033 | 21 |
| Frampton | Québec, Canada | 2035 | 24 |
| Le Plateau I | Québec, Canada | 2032 | 139 |
| Le Plateau II ⁽¹⁾ | Québec, Canada | 2034 | 13 |
| Moose Lake | British-Columbia, Canada | 2059 | 15 |
| Niagara Region (NRWF) | Ontario, Canada | 2036 | 230 |
| Port Ryerse | Ontario, Canada | 2036 | 10 |
| Roncevaux ⁽¹⁾ | Québec, Canada | 2041 | 37 |
| Seigneurie de Beaupré – phases I and II ⁽¹⁾ | Québec, Canada | 2033-2034 | 170 |
| Témiscouata I | Québec, Canada | 2034 | 24 |
| Témiscouata II | Québec, Canada | 2035 | 52 |
| Thames River | Ontario, Canada | 2029-2031 | 90 |
| Total: | | | 2,032 |

Hydroelectric power stations

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

Thermal power stations

| Power Station | Location | PPA Maturity | Installed Capacity (MW) |
|---------------------------|----------------|--------------|-------------------------|
| Senneterre (wood residue) | Québec, Canada | 2027 | 35 |
| Total: | | | 35 |

Solar sites

| Power Station | Location | PPA Maturity | Installed Capacity (MW) |
|----------------------------------|---------------------------|--------------|-------------------------|
| Avignonet-Lauragais | France | 2031 | 5 |
| Les Cigarettes | France | 2035 | 8 |
| Peyrolles-en-Provence | France | 2042 | 12 |
| La Clé des Champs ⁽²⁾ | France | 2042 | 9 |
| Vaughan | Ontario, Canada | 2035 | 1 |
| Five Points | California, United States | 2041 | 60 |
| Frontier | California, United States | 2046 | 20 |
| IMS | Indiana, United States | 2029 | 9 |
| Kettleman | California, United States | 2040 | 20 |
| Lafayette | Alabama, United States | 2045 | 79 |
| Lancaster | California, United States | 2034 | 3 |
| Westlands | California, United States | 2034 | 18 |
| Total: | | | 244 |

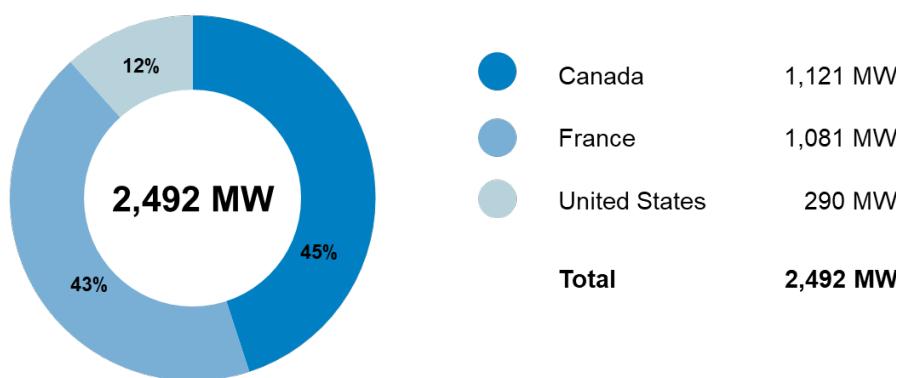
| Grand total: | Installed Capacity (MW) |
|--------------|-------------------------|
| | 2,492 |

⁽¹⁾ Ownership of Boralex.

⁽²⁾ The site brought 70% of its total capacity, or 6 MW, into production on December 23, 2021.

Major markets, distribution and sale of electricity

The following diagram illustrates the geographical distribution of net installed capacity of Boralex's facilities as of December 31, 2021.



Economic Dependence

Although the Corporation's operations are not dependent on any specific contractual agreement, the Corporation has three major customers to whom it sells electricity under long-term contracts. As a matter of fact, for the fiscal year ended December 31, 2021, according to IFRS, three customers of the Corporation accounted for at least 10% of its revenues, namely EDF (30%), the IESO (15%) and Hydro-Québec (24%). In 2020, three customers accounted for more than 10% of the Corporation's revenues, namely EDF (49%), IESO (19%) and Hydro-Québec (16%).

Competitive conditions

The competitive conditions that the Corporation faces primarily result from the fact that its activities are mainly dependent on the call for tender programs of the authorities located in different jurisdictions where it carries them out. Details of the applicable regulations for each jurisdiction which governs the activities of the Corporation are at Section 5, "Description of the business".

Substantially all of the Corporation's assets are covered by fixed-price energy sales contracts or feed-in premium contracts setting floor prices. The weighted average of remaining life of these contracts is 13 years. In the United States as well as in France, part of the electricity produced is sold on the market.

The Corporation targets development opportunities in the European and North American markets where the Corporation is already present, and which offer strong growth potential for renewable energies. In France, in an increasingly competitive context and given the transition to a method of awarding feed-in premium contracts through a request for proposals system, the Corporation has the necessary strengths to capitalize on development opportunities when they arise due to its long-standing presence and in-depth market knowledge. With a pipeline of around 1,274 MW of projects under development in France, Boralex is in a position to actively participate in the request for proposals processes for the awarding, in tranches, of 20-year feed-in premium contracts. In the United States, the Corporation is deploying resources to develop the niche of small and medium-size sites, a sector that requires specific expertise and where Boralex has a competitive advantage due to its expertise. The Corporation is particularly attentive to development opportunities in the solar energy sector, where technology is evolving rapidly, and production costs are constantly decreasing. To begin with, it is focusing its efforts on the high-potential New York State market, with the opening of an office in New York and the hiring of dozens of highly qualified employees.

Availability of raw materials

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

Intangible assets

The intangible assets of the Corporation consist mainly of various power purchase agreements and water rights. The Corporation reported \$1,147 million in intangible assets as at December 31, 2021. The Corporation's intangible assets are related to the following segments:

| Segments | Wind | Solar | Hydroelectric | Corporate | Projects under development | Total |
|---|------|-------|---------------|-----------|----------------------------|--------------|
| Carrying amount as of December 31, 2021 (in millions of dollars) | 790 | 206 | 125 | 7 | 19 | 1,147 |

Seasonal activities

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

Operating volumes at Boralex facilities are influenced as follows:

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

| | Power production average of the past five years (in %) ⁽¹⁾ | | | |
|-------------------------------|---|-----------|-----------|-----------|
| | Q1 | Q2 | Q3 | Q4 |
| | Net Installed capacity(MW) | | | |
| Wind | 2,032 | 32 | 20 | 17 |
| Solar | 244 | 19 | 32 | 32 |
| Hydroelectric | 181 | 24 | 30 | 20 |
| Thermal | 35 | 43 | 17 | 16 |
| Total power production | 2,492 | 31 | 22 | 18 |
| | | | | 29 |

⁽¹⁾ The power production average over the past five years is a supplementary financial measure. For more details, see the *Non-IFRS and other financial measures* in the MD&A for the year ended December 31, 2021.

Foreign activities

Except for the Avignonet-Lauragais (Phase 1, 8 MW) and Bougainville(12 MW) wind farms, the majority of operating facilities in France sell their electricity to EDF under long-term agreements having a term of 15 or 20 years (wind) and 20 years (solar). The electricity produced by the Ally-Mercoeur (39 MW) site is sold to Orange under a five-year power purchase agreement concluded with commercial and industrial corporations and the Chépy (4 MW) and Nibas (12 MW) sites sell their electricity to Auchan under a three-year contract. The electricity produced by the Grand Camp site is sold to the SICAP and the electricity produced at the Coulonges site is sold to SEOLIS. The Morlange and Zondrange projects sell their electricity to UEM and the electricity produced by the Noyers Bucamps site is sold to the Compagnie Nationale du Rhône. Boralex has also signed three new power purchase agreements concluded with commercial and industrial corporations in 2021: a five-year agreement with IBM France and a three-year agreement with L'Oréal for electricity supplied from Boralex's existing assets and a 20-year agreement with Metro France for the development of a new project.

The U.S. wholesale electricity markets are deregulated. A substantial part of the transactions are carried out through organized markets operated by RTOs and ISOs, such as the NYISO for the New York State market. Agreements may also be entered into directly with energy distributors, usually large corporations, in these markets. In the United States, our operating solar farms sell their energy under long-term contracts. In California, the Kettleman (20 MW) and Frontier (20 MW) sites sell their power to the City of Palo Alto and the power generated by the Five Points (60 MW), Westlands (18 MW) and Lancaster (3 MW) sites is sold to the University of California, Pacific Gas & Electric Company and to Southern California Edison, respectively. In Alabama, the power generated by the Lafayette site (79 MW) is sold to the Alabama Power Company and the IMS site (9 MW) located in Indiana sells its power to the Indianapolis Power & Light Company.

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

Financial and operational effects of environmental protection requirements

The operations carried out by Boralex, like those of any other electricity producer, are subject to numerous laws and regulations dealing with protection of the environment, conservation and development of wildlife as well as conservation and development of public lands. These environmental protection requirements result in expenditures by the Corporation both during the development and construction periods and during the operation of renewable energy projects. These expenditures incurred during the development and construction of a project are capitalized once a long-term power purchase agreement or renewable energy credit agreement is entered into with respect to the project or when a project reaches a sufficiently advanced stage of development for management to have a high level of confidence that the project will proceed. If the project does not materialize, these expenditures are deducted from the Corporation's earnings. Environmental protection expenditures incurred after a renewable energy project is commissioned are accounted for as operating expenses.

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

Employees

As at December 31, 2021, the Corporation and its subsidiaries had 562 employees. The Corporation's employees have the specialized knowledge and skills to carry out the Corporation's business. When necessary, the Corporation uses external resources to complement the expertise of internal employees.

Corporate social responsibility (CSR)

Among one of the Corporation's strategic targets for 2025, is for the Corporation to become the leading CSR reference for its partners by going beyond renewable energy.

The integration of the CSR strategy into its strategic plan, alongside the financial targets means that at every stage of execution of the latter, the Corporation takes into consideration the direct non-financial impacts of its activities and its entire value chain. This allows the Corporation to proactively manage the risks and impacts of its activities and to properly equip itself to identify opportunities of improvement of its practices.

In November 2021, Boralex announced the signing of its first sustainability-linked credit facility, in the amount of \$525 million. In addition, the agreement increases the accordion clause to \$150 million. The terms of the facility provide for a reduction or increase in borrowing costs depending on whether it achieves its targets for CO₂ emissions reduction and representation of women in management. This approach attests to its commitment, its ambition and its willingness to integrate CSR performance into everything it does, including into its financial mechanisms.

In that context, it is all the more important to target the CSR priorities on which organizational efforts are required, so that they directly support the growth and performance of the Corporation. At Boralex, the priorities are the following:



Governance: Leading through example

In 2021, the Corporation established internal CSR governance following best practices.

The mandate of the Nominating and Corporate Governance Committee was amended to include responsibility for progress against the CSR strategy. In addition, the Board diversity policy was updated to add a target of at least 30% for women's representation.

At the Executive Committee level, variable compensation was updated to add an occupational health and safety performance target on top of the employee engagement target introduced in 2018.

A CSR Director who reports directly to the President and Chief Executive Officer of Boralex was hired. She is responsible for ensuring that good progress is made against the 10 CSR priorities in line with the strategic plan of the Corporation.

A CSR Committee was also formed in 2021, bringing together all the leaders who are specialized in one of the 10 CSR priorities and who reflect Boralex's geographic diversity. The Committee, which meets once a month, supports the CSR Director in her duties and ensures that CSR is mainstreamed within Boralex.

The Sustainability Committee, established in 2016, continued to be active, rolling out a number of initiatives for its employees.

In 2021, the Corporation updated its sustainable procurement charter. The purpose of the charter is to ensure that its suppliers conduct themselves in a manner consistent with the Corporation's CSR commitments, particularly with regards to human rights and the fight against all forms of illegal work and forced labour. High importance is given to this issue and the Corporation has a zero-tolerance stance. This is why it ranks amongst the signatories of the Solar Industry Forced Labor Prevention Pledge, a formal, collective commitment to help ensure that the solar supply chain is free of forced labour. This sustainable procurement charter is currently included in certain calls for tender and will be rolled out in stages over the next few years to ultimately cover all Boralex's suppliers.

Society: Respecting our people, our planet and our community

In 2021, various measures to enhance women's representation were taken. In addition to the above-mentioned target of 30% women directors on its Board, targets were set the hiring of women in order to reach a representation rate by women of 27.5% of its management positions by 2025. By joining the Equal by 30 campaign, the Corporation will intensify its efforts in this regard.

In 2021, the health and safety function (H&S) was centralized under the responsibility of the Vice President, Talent and Culture. This change, aimed at standardizing the Corporation's practices across all its sites and over the entire life cycle of its assets, will enable it to improve its overall health and safety performance by providing a better overview of the elements to be optimized. All the trainings offered at the various Boralex sites were consolidated into a single learning management H&S system.

In terms of community engagement practices, the historic 50-50 joint venture between Boralex and the Innu Nation was awarded a power purchase contract in 2021 for the Apuiat wind farm, to be built on the traditional territory (Nitassinan) of the Uashat mak Mani-utenam First Nation, on public lands in the town of Port-Cartier and on the Lac-Walker unorganized territory, in the Côte-Nord region of Quebec. Aligned with Innu values regarding protecting plants and animals and preserving traditional practices (innu-aitun), Apuiat will be the first wind farm on Quebec's Côte-Nord region and will provide the region with a long-term source of clean energy, in addition to generating considerable economic benefits for the North Shore indigenous and non-indigenous communities of the region. In 2021, 93% of its North American employees completed an indigenous cultures training course.

In France, in addition to the consultations and dialogue it undertakes in the initial stages of its projects, the Corporation makes use of tools that can facilitate project acceptance, such as crowdfounding, crowdfunding and green electricity sales.

The philanthropic activities with communities and territories are guided by the donations and sponsorships policy, updated in 2021 to ensure that it is fully aligned with the CSR strategy as well as the 2025 strategic plan objectives.

Environment: Making renewable energy in a sustainable and resilient manner

In 2021, many innovative technologies aimed at optimizing biodiversity protection were deployed: a system that emits an ultrasonic sound field designed to discourage bats from entering the area swept by the turbine rotor, and two bird detection and turbine control systems (3D camera and radar).

With respect to greenhouse gas emissions, a first carbon footprint audit was completed in 2021 and you can find in the 2021 CSR report the Scope 1 and 2 emissions for the years 2019-2021. The targets for CO₂ emissions avoided through our renewable energy production have also been defined, in line with the production capacity targets in the 2025 strategic plan.

Finally, the implementation of the 11 recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) continue to be put in place within the Corporation. In 2021, an internal task force was created and it will lead the implementation of the TCFD recommendations and, more broadly, the assessment of the assets' resilience to the effects of climate change. The task force meets with in-house experts in meteorology, fluid mechanics and technological innovation, as well as the Director, Risk Management and Internal Controls, and the CSR Director.

Risk factors and uncertainties

Reference is made to the Corporation's Management's Discussion and Analysis for the fiscal year ended December 31, 2021, specifically under the headings "Risk Factors" and "Uncertainties", which sections are incorporated by reference herein.

6. Dividend policy

At the sole discretion of the Board of Directors, Boralex aims to pay annual dividends representing a ratio of 30% to 50% of its discretionary cash flows, defined as its cash flows from operations, less capital investments required to maintain its production capacity and project-related non-current debt repayments, as well as distributions paid to non-controlling shareholders excluding discretionary development expenses. Boralex reserves itself the right to adjust this calculation for any special items unrelated to current operations to ensure comparable ratios between periods. Such expectation is based on certain assumptions and subject to certain risks. See Section 2, "Notice concerning forward-looking statements".

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

| | 2021 | 2020 | 2019 |
|---|--------|--------|--------|
| Annual dividends per Class A common share | \$0.66 | \$0.66 | \$0.66 |
| Total dividends paid | \$68 M | \$66 M | \$60 M |

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

7. Capital structure

Shares

The share capital of Boralex is composed of an unlimited number of Class A common shares, 102,618,702 of which were issued and outstanding as at December 31, 2021, and an unlimited number of Preferred Shares, none of which had been issued as at December 31, 2021.

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

The Preferred Shares were created in order to allow additional flexibility to the Corporation with respect to future financing, strategic acquisitions and other corporate transactions. They can be issued in series, each series consisting of such number of shares as may be determined by the directors before issuance. The directors may, from time to time, fix before issuance the designations, rights, restrictions, conditions and limitations of each series of Preferred Shares, including the rate of preferential dividends, the redemption price, redemption and conversion rights or other provisions attaching to the Preferred Shares of any such series; the whole subject to the filing of articles of amendment confirming the designation, preferences, rights, conditions, restrictions, limitations and prohibitions attaching to any such series of Preferred Shares.

Shareholder Rights Plan

On February 24, 2021, the Board of Directors approved the shareholder rights plan (the "Rights Plan"), renewing the shareholder rights plan originally adopted by the Board on March 1, 2018. The Rights Plan was ratified by the shareholders of the Corporation at its annual and special meeting held on May 5, 2021 and will terminate at the close of business on the date on which the annual meeting of the shareholders of the Corporation is held in 2024. The Rights Plan became effective at the close of business on the date of the annual meeting held on May 5, 2021 and will be renewed in accordance with its terms for an additional three year term (2024 to 2027) provided that the shareholders ratify such renewal at or prior to the annual meeting of shareholders to be held in 2024.

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

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

8. Market for securities

The Class A common shares are listed on the TSX under the symbol “BLX”. The Class A common shares table sets forth the price range, in Canadian dollars, and the trading volume on the TSX and on other alternative platforms for each month of 2021.

Class A Common Shares⁽¹⁾

| Month (2021) | Price per Share (\$) Monthly High | Price per Share (\$) Monthly Low | Total Monthly Volume | Average Daily Volume |
|--------------|--------------------------------------|-------------------------------------|-------------------------|-------------------------|
| January | 56.70 | 47.19 | 19,275,349 | 963,767 |
| February | 51.27 | 40.48 | 16,741,400 | 881,126 |
| March | 45.80 | 36.05 | 28,978,786 | 1,259,947 |
| April | 44.12 | 39.23 | 36,661,755 | 1,745,798 |
| May | 40.18 | 33.92 | 16,475,520 | 823,776 |
| June | 40.02 | 36.65 | 12,836,092 | 583,459 |
| July | 40.08 | 36.79 | 10,835,853 | 492,539 |
| August | 40.06 | 35.14 | 8,700,279 | 395,467 |
| September | 40.23 | 36.09 | 8,774,573 | 398,844 |
| October | 39.13 | 34.90 | 10,751,720 | 537,586 |
| November | 40.37 | 35.72 | 8,231,565 | 374,162 |
| December | 37.13 | 32.94 | 11,022,118 | 524,863 |

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

9. Directors and officers

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

Information on the directors

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

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

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

Mr. Patrick Decostre, Québec, (Canada), is the President and Chief Executive Officer and director of Boralex since December 2020. Previously, he served as Vice President and Chief Operating Officer from March 2019 to December 2020 and as General Manager - Boralex Europe from November 2016 to March 2019.

Mr. Ghyslain Deschamps, Québec (Canada), is Chief Operating Officer and Executive Vice President of EBC Inc., a company operating in the construction, civil engineering infrastructure, renewable energy and mining sectors, where he served as Executive Vice President, Building Division, from 2018 to October 2021. From 2013 to 2018, he served as vice president/infrastructure for the Telecon Group. He has been a director of Boralex since May 2018.

Ms. Marie-Claude Dumas, Québec (Canada), is, since April 2021, President and Chief Executive Officer of WSP Canada, where she served from January 2020 to April 2021 as Global Director, Major Projects & Programs of WSP Global and Executive Market Leader for Quebec. WSP is professional services firm. Prior to joining, she was President, Clean Power of SNC-Lavalin from 2017 to 2019 and Executive Vice-President, Human Resources from 2015 to 2017. She has been a director of Boralex since May 2019.

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

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

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

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

Mr. Zin Smati, Texas (USA) is a corporate director. He was President and Chief Executive Officer of GDF SUEZ Energy North America, part of ENGIE for 10 years and also President and Chief Executive Officer of BP Global Power, part of BP. He is currently a member of the Board of Directors of SNC-Lavalin, Ercot (Electric Reliability Council of Texas, Inc.) and a member of the Board of Trustees of the Bauer College of Business at the University of Houston. He has been a director of Boralex since May 2021.

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

Information on the executive officers

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

| Non-Director Officer | Position with the Corporation | Province and Country of Residence |
|-----------------------|--|-----------------------------------|
| Marie-Josée Arsenault | Vice President, Talent and Culture | Québec (Canada) |
| Julie Cusson | Vice President, Public and Corporate Affairs | Québec (Canada) |
| Hugues Girardin | Vice President, Development | Québec (Canada) |
| Bruno Guilmette | Vice President and Chief Financial Officer | Québec (Canada) |
| Pascal Hurtubise | Vice President and Chief Legal Officer | Québec (Canada) |
| Alain Pouliot | Vice President, Operations North America | Québec (Canada) |
| Nicolas Wolff | Vice President and General Manager Boralex, Europe | France |

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

- Marie-Josée Arsenault who served as Corporate Director - Human Resources from September 2015 to September 2019.
- Julie Cusson who served as Director of Public Affairs and Communications from March 2016 to September 2019.
- Bruno Guilmette who served as Interim Chief Investment Officer at the Canada Infrastructure Bank between January and June 2018.
- Pascal Hurtubise who served, from June 2017 to May 2021, the position of Vice President, Legal Affairs and Corporate Secretary and as Vice President, Legal Affairs, North America from November 2016 to June 2017.
- Alain Pouliot who served as General Manager, Operations from December 2018 to June 2021, from February 2018 to December 2018 as Assistant General Manager Operations, and from July 2006 to February 2018 as Director, Operations.
- Nicolas Wolff who served as General Manager, *Vestas Western Mediterranean* from February 2015 to April 2019.

As at the date of this Annual Information Form, Boralex's directors and executive officers as a group beneficially own, directly or indirectly or exercise control over 1,354,501 Class A common shares of Boralex, representing approximately 1.3% of the Corporation's issued and outstanding Class A common shares. It should also be noted that no director or executive officer holds directly in his name more than 1% of the Corporation's shares.

Composition of Board committees

The following information on the composition of the committees is given as at the date of this Annual Information Form:

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

10. Audit committee

Audit committee charter

The Audit Committee Charter can be found at Schedule A.

Composition and mandate

The Audit Committee of Boralex is composed of André Courville, Lise Croteau (Chair), Edward H. Kernaghan, and Dany St-Pierre, all of whom are independent. The Committee is governed by a written charter, a copy of which is attached to this Annual Information Form as Schedule "A".

Relevant experience and education of the members

The following briefly summarizes the education and experience of each Committee member that is relevant to the performance of their duties on the Committee, in particular any education or experience that provides the member with an understanding of the accounting principles used by the Corporation to prepare its annual and interim financial reports.

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

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

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

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

Exemptions

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

Independent auditor's fees

The following table lists the fees invoiced by PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L. over the last two financial years ending December 31st, in Canadian dollars, for various services rendered to the Corporation and its subsidiaries:

| (in Canadian dollars) | 2021 | 2020 |
|-----------------------|------------------|------------------|
| Audit fees | 666,450 | 571,675 |
| Audit-related fees | 1,241,240 | 1,116,500 |
| Tax fees | | |
| All other fees | 101,975 | 108,000 |
| Total | 2,009,665 | 1,796,175 |

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

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

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

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

Audit committee preapproval policy

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

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

11. Legal proceedings

None of the Corporation or its subsidiaries was, during the year ended December 31, 2021, subject to any legal proceedings that would have a material adverse effect on it or that represent an amount exceeding 10% of the consolidated assets of the Corporation. A description of certain legal proceedings to which the Corporation is a party is found below and is also included in the audited annual consolidated financial statements of Boralex for the year ended December 31, 2021, incorporated herein by reference.

On February 7, 2014, an application for authorization to institute a class action was filed in the Superior Court of Québec by Pierre Labranche and Edna Stewart against, *inter alia*, Des Moulins Wind Power LP, Invenergy Des Moulins GP ULC and Hydro-Québec in respect of Des Moulins I, one of the wind farms Boralex acquired from Invenergy in 2018. On March 31, 2016, the Superior Court granted authorization to proceed with the class action. The plaintiffs allege that the Des Moulins I Project (i) negatively affects the value of their properties; (ii) causes abnormal neighbourhood annoyances, including continuous noise morning and night, vibrations and strobe effects, the presence of flashing red lights visible from their residences, negative consequences on the landscape, and moving shadows; and (iii) is an intentional infringement of their rights, including their property right. The plaintiffs, on behalf of the members of the authorized class, seek: (i) compensatory damages for the alleged abnormal neighbourhood annoyances suffered; (ii) punitive damages for the alleged intentional infringement of their rights; and (iii) the demolition of all the wind turbines that have already been built less than three (3) kilometers away from a residence in the municipalities included in the action. The quantum in the case of compensatory and punitive damages sought is to be determined according to the evidence to be submitted by the plaintiffs. On May 17, 2021, the Superior Court dismissed the class action due to the lack of a representative with the capacity to represent the members. This judgment is being appealed to the Court of Appeal.

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

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

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

On May 17, 2021, the Corporation announced that the Tribunal de Commerce de Lille rendered a decision in its favour, ordering Innovent SAS ("Innovent") and its president, Grégoire Verhaeghe to pay Boralex €50.6 million (\$72.7 million) for breach of contractual obligations. The dispute arose in the context of a transaction between the parties that occurred in 2012 whereby Boralex acquired construction-ready wind projects from Innovent. As part of such transaction, the parties entered into a development services agreement pursuant to which Innovent and Mr. Verhaeghe had the obligation to offer Boralex the right to acquire certain wind projects under development. In a well-reasoned judgement, the Court found that the defendants were in breach of their obligation with respect to the then under development Eplessier-Thieulloy-l'Abbaye and Buire- Le-Sec projects, thereby depriving Boralex of its right to acquire the projects at the agreed price and terms. Given such default, Innovent and Grégoire Verhaeghe were ordered by the Court to pay to Boralex €50.6 million (\$72.7 million), which decision included a provisional order.

Innovent and Grégoire Verhaeghe appealed the decision, including the provisional order. In addition to appealing the decision, Innovent undertook various additional unfounded legal proceedings in France, challenging the evidence on which the court based its decision in order to prevent the provisional order from being carried out and its assets from being seized. These proceedings were rejected by various authorities and courts or are currently ongoing.

On December 29, 2021, Innovent formally filed a €250 million (\$359 million) claim against Boralex, through the Tribunal de Commerce de Paris. The claim alleges that Boralex's actions and counsel in the context of the legal proceedings before the Tribunal de Commerce de Lille, leading to a decision in Boralex's favour, deprived Innovent from going public. Boralex believes that such an appeal is unfounded and intends to defend the matter vigorously.

12. Transactions

No director, executive officer or shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of any category of shares of the Corporation or known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction within the last three years or during the current financial year or in any proposed transaction that has materially affected or will materially affect the Corporation, other than the following transactions with the Caisse. To the knowledge of the Corporation, the Caisse was, and still is, the owner of common shares of Boralex representing approximately 12.6% of the issued and outstanding common shares as at December 31, 2021:

- (i) On April 25, 2019, Boralex Europe Sàrl closed the refinancing of a debt totalling \$60 million (€40 million) owed to Cube Hydro-Power SARL (previously Cube Energy SCA) with CDPQ Revenu Fixe Inc., a subsidiary of the Caisse. The credit agreement stipulates a maturity date in five years with repayment of the full amount of the loan on the maturity date. In the context of the review and approval of the refinancing by the Board of Directors of Boralex, the two independent directors appointed by the Caisse to the Board of Directors of Boralex did not participate in the deliberations on the refinancing and abstained from voting on the matter.
- (ii) On November 30, 2020, Boralex closed the acquisition of all of the Caisse's 49% interest in three wind farms in Québec (Des Moulins I, Des Moulins II and Le Plateau I). Boralex paid a cash consideration of \$121 million to the Caisse, which may be supplemented by a conditional consideration of up to \$4 million in cash under the terms of the agreement, subject to the settlement of certain future conditions to be met. As part of the review of the acquisition by the Boralex's Board, and its approval, the two independent directors appointed by the Caisse to the Board of Directors of Boralex did not participate in the deliberations on the acquisition and abstained from voting on the matter.

For additional information with respect to certain related party transactions to which the Corporation is a party, see note 24, - Related Party Transactions of the Corporation's audited annual financial statements for the year ended December 31, 2021.

13. Transfer agent and registrar

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

14. Material contracts

The material contracts entered into during the year ended December 31, 2021 and those entered previously, and which are still in effect are:

RSP Énergie Inc. Management Agreement

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

Thames River Financing Agreement

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

Seigneurie de Beaupré Financing

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

Investor rights agreement

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

Refinancing of substantially all wind farm operations in France

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

15. Interests of experts

PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L., Partnership of Chartered Professional Accountants, is the independent auditor of the consolidated financial statements of the Corporation who prepared an independent auditor's report dated February 22, 2022 in respect of the Corporation's consolidated financial statements and related notes as at December 31, 2021 and 2020 and for the years then ended. PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L. has advised that they are independent with respect to the Corporation within the meaning of the *Code of ethics of chartered professional accountants* of Québec.

16. Additional information

Additional information, including directors' and officers' remuneration, loans granted to them, principal holders of the securities of Boralex, and securities authorized for issuance under equity compensation plans, if any, is included in the management proxy circular dated February 28, 2021, and will be included in the management proxy circular prepared in connection with the 2022 annual meeting of shareholders of Boralex which will take place on May 11, 2022.

Additional financial information pertaining to the financial year ended December 31, 2021 is included in the audited annual financial statements of Boralex for the year ended December 31, 2021, and the related Management's Discussion and Analysis, which are specifically incorporated by reference herein and are available at www.sedar.com.

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

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36 Lajeunesse Street
Kingsey Falls, Québec J0A 1B0
Telephone: 819-363-6363
Facsimile: 819-363-6399

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

Schedule “A” - Audit committee charter

1. Composition and quorum

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

2. Committee meetings

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

3. Mandate

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

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

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

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

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

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

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

The responsibilities of the Audit Committee include the following:

A. Financial reporting

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

B. Financial risk management and internal controls

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

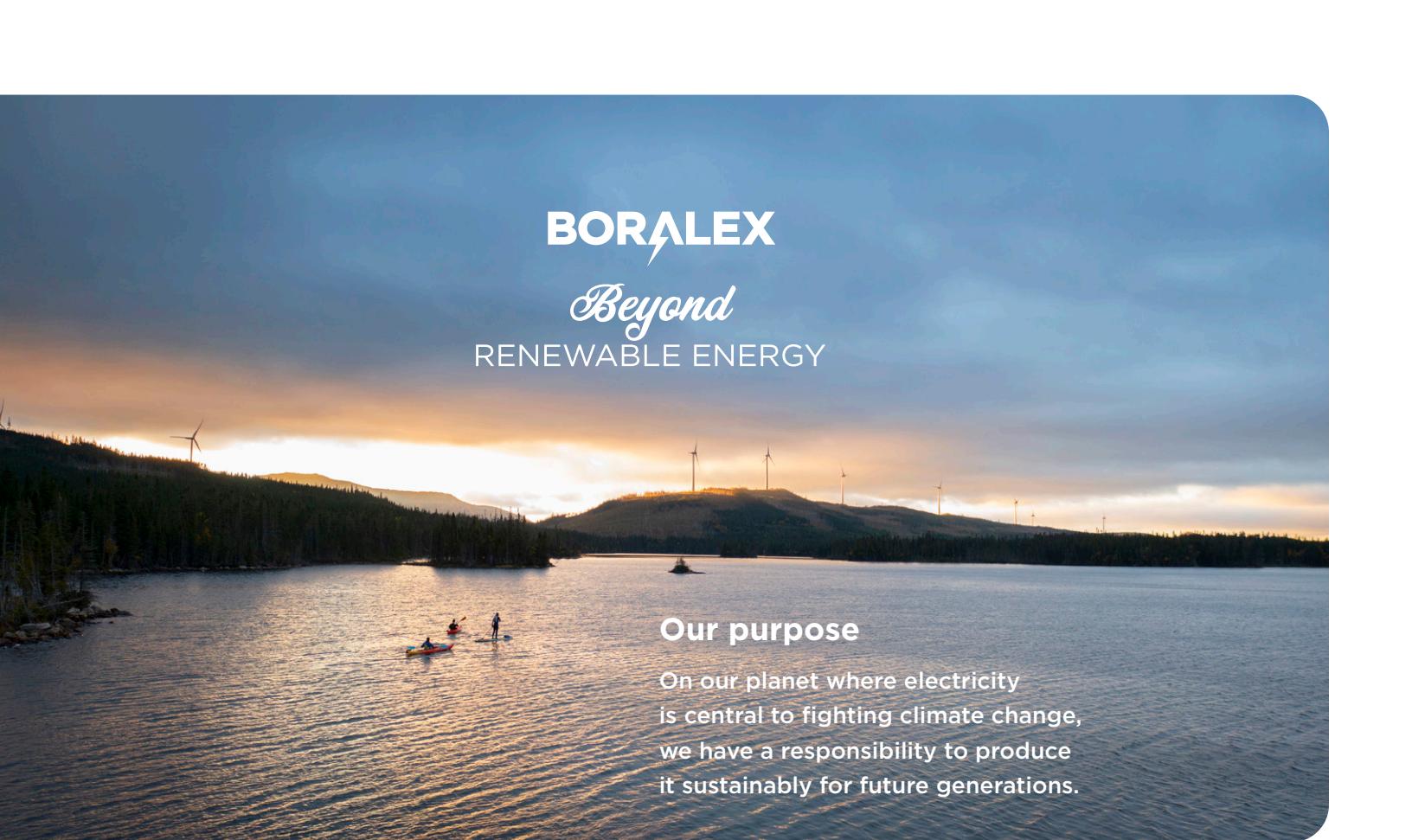
C. Auditor

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

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

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

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



BORALEX

Beyond

RENEWABLE ENERGY

Our purpose

On our planet where electricity is central to fighting climate change, we have a responsibility to produce it sustainably for future generations.

General Information

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