



# GOVERNANCE

## Building responsible growth

Our governance ensures the responsible growth of the Corporation. Each member brings a unique skill set and extensive experience that has propelled us forward towards success. Our governance sets the highest standards by which every member of Innergex is expected to conduct themselves in all business matters. They ensure the best interests of shareholders, employees, partners and other stakeholders are forefront and aligned with our mission of building a better world with renewable energy. Innergex Renewable Energy Inc. is a renewable power producer incorporated under the Canada Business Corporations Act. Its shares are listed on the Toronto Stock Exchange under the symbols INE, INE.PR.A and INE.PR.C, and its convertible debentures are listed under the symbols INE.DB.B and INE.DB.C.



# INNERGEX

Renewable Energy.  
Sustainable Development.

# Board Composition

The Board of Directors oversees the management of the business and affairs of the Corporation with a view of taking into account, in particular, ethical and ESG considerations and shareholders' interests.



— As at December 31

	2021			2020			2019		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Independent	3	5	8	3	6	9	3	5	8
Non-Independent	0	2	2 <sup>1</sup>	0	2	2 <sup>1</sup>	0	1	1 <sup>2</sup>
Total	3	7	10	3	8	11	3	6	9
Average Age	59.3	62.8	61.8	58.3	63.3	62.0	58.0	64.0	62.2

<sup>1</sup> There are two non-independent members including the President and Chief Executive Officer of the Corporation.

<sup>2</sup> There was one non-independent member, the President and Chief Executive Officer of the Corporation.



## Board Remuneration

— As at December 31

Compensation	2021	2020
Directors' Base Compensation <sup>1</sup>	\$94,000	\$87,000
Chair of the Board <sup>2</sup>	\$190,000	\$190,000
Chair of the Audit Committee	\$31,000	\$31,000
Chair of the Human Resources Committee	\$26,500	\$22,000
Chair of the Governance Committee	\$22,000	\$22,000
Committee Members - Audit <sup>3</sup>	\$15,500	\$15,500
Committee Members - HR <sup>3</sup>	\$13,500	\$11,500
Committee Members - Governance <sup>3</sup>	\$11,500	\$11,500

<sup>1</sup> These fees cover up to eleven (11) Board meetings and all committee meetings held in the year. For Board meetings exceeding the ten (10) meetings threshold, an attendance fee of \$2,000 per meeting was paid. <sup>2</sup> All inclusive. No attendance fees or fees for other chair functions are paid to the Chair of the Board. <sup>3</sup> In the event that two significant committee meetings are added to those already scheduled on the regular calendar, the Governance Committee will decide and make the necessary recommendations to the Board on the possibility of paying the Directors an additional amount for their participation in subsequent meetings.



Average tenure of all Board members combined on December 31, 2021 was

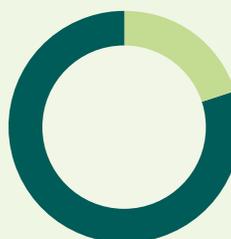
**4.94<sup>1</sup> years**

<sup>1</sup> Excluding Michel Letellier



**30% Gender Diversity**

30% of directors were women

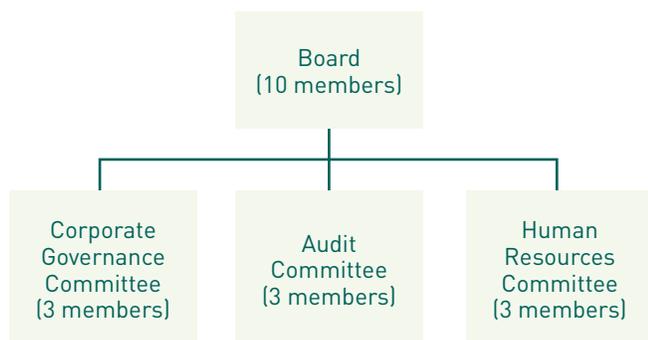


**80% Independence**

80% directors were independent

# Governance Structure

At December 31, 2021, the Innergex Board of Directors was composed of ten (10) members – eight (8) independent including the Chair, and two non-independent, including the President and CEO of the Corporation. Board members are recruited for their experience, skills, expertise and commitment to sustainable development. Three committees, each composed of independent members and chaired by experts in each committee’s purview, provide ancillary advice and recommendations to the Board of Directors.



Innergex’s governance practices are formalized through a series of Charters for the Board of Directors and each of its committees, and through a series of corporate policies.

## Audit Committee

Oversees the compliance of the Corporation with respect to applicable governmental and other authorities’ legislation and regulations pertaining to financial information disclosures including: maintaining a relationship with the external auditor overseeing financial information and public disclosures complaints regarding auditing matters reviewing and assessing management’s program of risk assessment.

## Corporate Governance Committee

Identifies, recruits and recommends nominees for election as directors to the Board; recommends to the Board the compensation of the members of the Board; and oversee the assessment of the Board, its Chair, its chairs of the committees, its committees and individual members; develops and ensures the implementation of a set of corporate governance documents, including Code of Conduct, policies and procedures; assesses the Corporation’s governance; oversees and monitors the environmental, safety and corporate social responsibility vision and strategies; and oversees the Environmental, Social and Governance performance of the Corporation.

## Human Resources Committee

Oversees the senior management compensation policies and practices and seeks to ensure such policies are designed to recognize and reward performance and establish a compensation framework which is industry competitive and which results in the creation of shareholder value over the long-term; supervises the succession planning process for the senior management team; and oversees the overall strategy with respect to human capital management such as, among others, recruitment, talent development, workforce planning, employee mobilization and satisfaction.

 **100%**

The combined **attendance** at Board and Committee meetings was **100%** in 2021

**33%**

of the chairs of board committees are women



### Board and Committee Meetings

— As at December 31

Type	2021		2020		2019	
	Number of meetings	Attendance	Number of meetings	Attendance	Number of meetings	Attendance
Board	11	100%	10	100%	8	98.6%
Committee	14	100%	14	100%	13	98.3%

## Board Skills Matrix

The Governance Committee ensures that the skills required to oversee and grow the Corporation with good governance are found in all Board members. They are not only selected based on their good business judgment, demonstrated experience, adherence to the highest levels of Corporate Social Responsibility, high level of integrity, honesty, and firm commitment to the interests of the Corporation, but also for the diverse and extensive skills they bring to the table.

The Board is composed of professionals who bring a wide array of skills and expertise to oversee the growth of the Corporation, guide management, and manage the risks the Corporation is facing.

The Skills Matrix identifies the key skills and areas of strength that are important to bring to the table. The ESG Criteria define Board or management experience in, or understanding of, environmental policies, managing and evaluating environmental risks and sustainable development (for the Environment criteria); relationships with employees, communities and partners (for the Social criteria); and governance/corporate responsibility practices with a public company or other major organizations, particularly a culture of accountability and transparency (for the Governance criteria).

Board members must have an appropriate mix of skills, knowledge and experience in business and an understanding of the geographical areas in which the Corporation operates including:

- Renewable Power Industry
- Accounting / Audit / Financial
- HR / Compensation
- Operations / Maintenance / Construction / Engineering
- Innovation and Technological Transformation
- Health and Safety
- ESG Criteria
- Public Affairs and Regulatory
- Investment / Financing
- Legal
- Mergers and Acquisitions
- Strategic Planning
- Information Technology (including Information Security)

The matrix is reviewed annually and used by the Board as an additional tool to review the appropriateness of the composition of the Board, identify gaps, and review potential new candidates for appointment to the Board.

## Board Member Training

New directors attend orientation and training sessions provided by various members of senior management. They are provided with extensive information on the Corporation's business, its strategic and operational business plans, corporate objectives, operating performance, corporate governance philosophy and financial position. The Board further ensures that nominees for new directors fully understand the role of the Board and its Committees and the contributions that individual directors are expected to make.

Members of the Board conduct their duties by remaining constantly informed of emerging and evolving issues, opportunities and risks not only within the industry but with any regulatory changes that pertain to our business. As such, they are routinely provided with continuing educational tools and resources to ensure they are ready for the most thoughtful and diligent decision-making process and are equipped to anticipate and manage risks to ensure the Corporation can continue to generate sustainable, long-term returns.

In 2021, Board members were provided with the following continuing education activities:

- Presentation on hydrogen
- Impacts of extreme weather in Texas
- Corporate and industrial offtake
- Renewable energy credits
- Update on the US Infrastructure Act, Build Back Better Act and green hydrogen
- Returning to the workplace and vaccination
- Presentation on Corporate Governance recent developments and trends

The Corporation also subscribes to a global membership for the Board with the Institute of Corporate Directors. This membership ensures that the Corporation's directors benefit from, and have access to, quality up-to-date information, tools, and training on corporate governance issues.

# Ethical Standards

At Innergex, we want to make sure that all members of the Innergex team (including all employees, consultants and directors of the corporation) are aware of the expectations regarding their ethical behaviour. The **Code of Conduct** ensures that Innergex’s reputation for integrity and good corporate citizenship is maintained through adherence to high ethical standards, sets the standard for acceptable behaviour, and provides guidance as to our expectations for all employees, consultants, members of the Board of Directors and others when representing the Corporation. Innergex revises and updates its **Code of Conduct** on a regular basis (most recent update November 2021), and requires yearly recommitment to its contents by all permanent and part-time employees, Board members and regular contractors following a mandatory annual training covering, among others, anti-bribery and anti-corruption practices, ethical standards, workplace environment free of harassment, violence and bullying, safeguard and promotion of human rights and whistle-blowing policies.



**100% of employees** participated in the training program on the **CODE OF CONDUCT** and reaffirmed their commitment to uphold its standards

In 2021, **100%** of Innergex employees completed a 3-module training program on ethical behaviour, consisting of a section on the Code of Conduct, a section on ethics, notably on matters of anti-corruption or insider trading, and a third one on respect and civility to foster diversity, inclusion and prevent harassment. The training modules are also part of new employees’ onboarding, in conjunction with the IT Security training program.

## Human Rights

Innergex prioritizes its commitment to conducting business in a responsible manner. We promote and encourage our core values and require that all executive decisions and employee conduct comply with applicable laws on fundamental human rights. We actively raise awareness and hold information sessions for employees on our **Code of Conduct**, policies, guidelines, and statements. Innergex also encourages the reporting of incidents that violate any internal policies and offers access to confidential legal consultation services as part of our commitment to employees. Innergex upholds legal and regulatory compliance and recognizes our employees’ right to Freedom of Association and Right to Collective Bargaining as per ILO Conventions C87, C98, C135, or similar international texts on union rights. We have one project in Chile with unionized employees.

Innergex is committed to respecting human rights in all jurisdictions where it conducts business. We require that all directors, management, employees and third parties acting for or on behalf of the Corporation (“Innergex team members”) comply with the requirements laid out in this statement in all aspects of our business including procurement, decision-making, management and operations. When seeking to enter into an agreement for the supply of goods or services, Innergex requires the other party’s representatives to commit to complying with the terms of our Statement. No violation of human rights will be tolerated by or within Innergex, and we condemn all forms of harassment, intolerance and abuse.

We all have a responsibility and part to play in ensuring that all stakeholders are treated with dignity and respect. Innergex supports the principles contained in:

- [The Universal Declaration of Human Rights](#);
- [The International Covenant on Civil and Political Rights](#);
- [The International Covenant on Economic, Social and Cultural Rights](#); and
- [The International Labour Organization’s Declaration on Fundamental Principles and Rights at Work](#).

Innergex is a signatory to the [Solar Industry Forced Labor Prevention Pledge](#) which opposes the use of forced labour within the solar supply chain. We are committed to helping ensure that the solar supply chain is free of forced labour, and to raising awareness within the industry on this important issue. To assist in these efforts, we support the development of an industry-led solar supply chain traceability protocol as a tool for identifying the source of primary raw materials and inputs and tracking their incorporation into finished products, including solar modules.

EthicsPoint, a service offered in English, French and Spanish to all employees, is a comprehensive and confidential online reporting tool that enables them to safely communicate issues and concerns associated with unethical or illegal activities with management or the Board of Directors while maintaining anonymity if desired. Innergex takes all necessary steps in order to protect the interests of all concerned persons who report a breach in good faith. The Complainant will be subject to the provisions and protections outlined in the Innergex **Whistle-Blowing Policy**. No disciplinary measures will be taken against an Innergex team member because he or she reports an incident or cooperates with an investigation in good faith.

### Incident Reporting

	2021	2020
Cases reported	0	0
Cases resolved	0	0
Actions taken	0	0
Human Rights complaints	0	0

# Cybersecurity

Information security is an essential function that allows us to conduct our daily business activities with the confidence that our perimeter is properly protected. Our Information Technologies (“IT”) department employs a comprehensive cybersecurity program guided by IT Security policies, standards, procedures and guidelines that frame the protection of all Innergex assets. We work diligently to promote an internal culture that educates employees and promotes awareness.

The Cybersecurity Program is based on the National Institute of Standards and Technology (“NIST”) cybersecurity framework and factors in the regulatory obligations contained in NERC. It is a risk-based approach designed around five primary objectives: Identify, Protect, Detect, Respond and Recover. The program establishes information security requirements and controls for the protection of all Innergex information and system assets. It includes a three-year cybersecurity roadmap to ensure constant strengthening of risk posture to adapt to the ever-evolving nature of cybercrime. An important component of the Cybersecurity Program is the User Awareness Training. It ensures that all employees are aware of the risks involved in the online management of our business, especially since a considerable portion of it is done remotely due to the nature of our activities. All employees must acknowledge having read and commit to complying with the corporate Information Security Policy to ensure an understanding of information security risks, their personal responsibilities at Innergex, and how to react should a situation occur. All Innergex team members must comply with an adherence to cybersecurity regulation and we undertake thorough yearly security verification activities including, but not limited to penetration testing, ITGC testing, internal audits, and phishing campaigns. Additionally, cybersecurity maturity assessment and risk posture are reviewed periodically. The Audit Committee periodically receives reports on security posture and cyber risk management. In 2021:

- **No complaints** linked to disclosure or breaches of customer privacy
- Approximately **675 hours of training** for employees in security assessments
- **6 cybersecurity awareness training** events held for employees

## Shareholder Interests

Innergex follows the principle of one share one vote when carrying out Board matters.

The **Majority Voting Policy** stipulates that, in an election of directors, any nominee who receives a greater number of votes withheld than votes in favour of their election must tender his/her resignation to the Board immediately following the shareholders meeting. Under this policy, the Board shall accept the resignation absent exceptional circumstances. A director who tenders his/her resignation pursuant to this policy will not participate in any meeting of the Board at which

the resignation is considered. The policy does not apply in circumstances involving contested director elections.

In 2021, we hosted an Investor’s Day event to provide an update on the Corporation’s current position and its future direction. The executive team shared an in-depth view on our financial results, our development and market analysis strategy, and our approach to sustainable development, followed by a question period. The event was positively received, and we look forward to engaging with our investors and analysts more in the future.

The Board believes in the importance of open and constructive dialogue with shareholders. The **Shareholder Engagement Policy** outlines how the Board and Management may communicate with shareholders, how shareholders can communicate with the Board, and provides an overview of how Management interacts with shareholders. **Shareholders may communicate directly with the Board anytime by email at [CA-BOD@innergex.com](mailto:CA-BOD@innergex.com).**



In 2021, Innergex individually met with over 100 existing and potential institutional investors, attended 8 investment conferences, and held its first Investor’s Day

## Policies

Our policies ensure the sustainable growth of the Corporation by supporting employees with information-sharing and training, outlining our social and environmental responsibilities, maintaining transparency with shareholders and the public, and clearly laying out the Corporation’s vision for ethical and acceptable behaviour. They are reviewed on an annual basis and updated accordingly. The 15 policies that guide the Corporation’s activities include:

- Anti-Corruption and Anti-Bribery Guidelines (revised 2020-11-10)
- Diversity and Inclusion Policy (adopted in 2021)
- Health and Safety Policy (revised 2022-02-23)
- Executive Incentive Compensation Recoupment Policy (revised 2020-11-10)
- Information Disclosure Policy (revised 2020-11-10)
- Insider Trading Policy (revised 2020-11-10)
- Majority Vote Policy (revised 2017-03-20)
- Policy Regarding Board Diversity (revised 2021-03-31)
- Policy Regarding Minimum Shareholding by Directors and Officers (revised 2020-04-01)
- Say on Pay Policy (adopted 2015-11-19)
- Shareholder Engagement Policy (revised 2020-11-10)
- Statement of Principle – Safeguard and Promotion of Human Rights at Innergex (adopted 2018-12-16)
- Sustainable Development Policy (revised in 2022-02-23)
- Whistle-Blowing Policy (revised 2020-11-10)
- Workplace Environment Free of Harassment, Violence and Bullying Policy (revised 2022-02-23)