

## CHARTER OF THE BOARD OF DIRECTORS

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

### 1. Role

The Board is responsible for the stewardship of the Corporation.

The mandate of the Board is to oversee the management of the business and affairs of the Corporation with a view to evaluate, on an ongoing basis, whether the Corporation's resources are being managed in a manner consistent with enhancing shareholder value, ethical considerations and stakeholder's interests.

### 2. Constitution

#### 2.1 *Number*

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

#### 2.2 *Independence*

A majority of the Board shall be composed of Board members who must be determined to be independent in accordance with applicable law, rules and regulations.

#### 2.3 *Criteria for Board membership*

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

#### 2.4 *Fiduciary duty and duty of care*

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

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

- review the materials provided by management in advance of the Board and Committee meetings.

## 2.5 Selection

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

## 2.6 Chair

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

## 2.7 Remuneration

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

## 2.8 Retirement Time and Term Limit

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

## 2.9 Maximum Number of Boards

The maximum number of public company boards of directors on which each director may sit is set at four and no member of the Board may serve, together with another member of the Board, on the board of directors of more than two public companies.

## 3. Responsibilities

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

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

### 3.1 With respect to strategic planning

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

**3.2** *With respect to human resources and performance assessment*

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

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

**3.3** *With respect to financial matters and internal control*

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

- Review at least annually the Corporation's information disclosure policy and monitor the Corporation's communications with analysts, investors and the public.
- Oversee the Whistleblower Procedures, including in respect of financial matters.

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

### 3.4 *With respect to corporate governance matters*

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

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

### 3.5 *Other matters*

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

## 4. **Meetings**

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

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

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

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

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

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

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

## **5. Board Committees**

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

The Board has three standing committees: the Audit Committee, the Corporate Governance Committee and the Human Resources Committee.

## **6. Conflict of interest**

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

In such circumstances, a director shall not:

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

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

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

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

The Board will monitor the disclosure of conflicts of interest and compliance with the foregoing process.

## **7. Advisors**

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

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

## **8. Board Interaction with Third Parties**

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

## **9. Communication with the Board**

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

## **10. Review of the Charter**

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

## **11. Assessment**

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