

INNERGEX RENEWABLE ENERGY INC.

INNERGEX

Renewable Energy.
Sustainable Development.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

AND

**MANAGEMENT INFORMATION CIRCULAR –
SOLICITATION OF PROXIES**

March 28, 2013

INNERGEX RENEWABLE ENERGY INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of the shareholders of Innergex Renewable Energy Inc. (the “**Corporation**”) will be held on May 14, 2013 at 4:00 p.m. at the Hotel Hyatt Regency Montréal, 1255 Jeanne-Mance Street, Montréal, Province of Québec, for the following purposes:

1. To receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2012, together with the report of the auditor thereon;
2. To elect directors for the ensuing year;
3. To appoint the auditor of the Corporation for the ensuing year and authorize the directors of the Corporation to fix its remuneration;
4. To consider and, if deemed appropriate, to adopt, with or without variation, a resolution to amend the Corporation’s General By-Laws by the addition of new By-law No. 5 – Advance Notice By-law, as more fully described in the accompanying management information circular;
5. To consider and, if deemed appropriate, to adopt, with or without variation, a special resolution to reduce the stated capital account maintained in respect of the common shares of the Corporation to \$500,000, and to credit to the contributed surplus account of the Corporation an amount equal to the difference between the current stated capital account maintained in respect of the common shares and \$500,000; and
6. To transact such other business that may properly come before the Meeting or any adjournment thereof.

March 28, 2013 has been chosen as the record date for determining those shareholders of the Corporation entitled to receive notice of and to vote at the Meeting. The accompanying management information circular (the “**Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

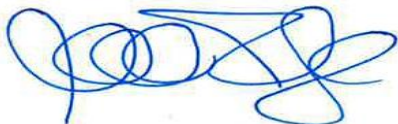
In order to ensure representation at the Meeting, registered shareholders must complete the enclosed form of proxy and submit it as soon as possible but not later than 5:00 p.m. (Montréal time) on May 10, 2013 or 48 hours prior to the time of any adjournment or postponement of the Meeting (or such earlier time as required by your nominee) as set out in the accompanying Circular.

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

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

Dated at Longueuil, Québec, this 28th day of March, 2013.

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



Nathalie Théberge
Corporate Secretary

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INNERGEX RENEWABLE ENERGY INC.

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Circular**”) is provided in connection with the solicitation of proxies to be used at the annual and special meeting of shareholders of Innergex Renewable Energy Inc. (the “**Corporation**”) to be held on May 14, 2013 at 4:00 p.m. at the Hotel Hyatt Regency Montréal, 1255 Jeanne-Mance Street, Montréal, Province of Québec, or at any adjournment thereof (the “**Meeting**”) for the purposes set forth in the Corporation’s notice of Meeting (the “**Notice of Meeting**”).

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

Unless otherwise indicated, the information contained in this Circular is given as at March 28, 2013.

VOTING BY REGISTERED SHAREHOLDERS

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

In order to ensure representation at the Meeting, registered shareholders of the Corporation must complete, date and sign the enclosed form of proxy, or other appropriate form of proxy and, in either case, (i) deliver the completed proxy to the Corporation’s transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1 in the addressed prepaid envelope enclosed; or (ii) submit the completed proxy to Computershare Investor Services Inc., facsimile number (416) 263-9524 or 1-866-249-7775, by no later than 5:00 p.m. (Montréal time) on May 10, 2013 or 48 hours prior to the time of any adjournment or postponement of the Meeting as set out in the accompanying Circular.

VOTING BY NON-REGISTERED SHAREHOLDERS

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

Non-registered shareholders will receive either voting instruction forms or, less frequently, forms of proxy. The purpose of these forms is to permit such shareholders to direct the voting of the Common Shares they beneficially own. A summary of the general procedure to be followed by non-registered shareholders is set out below. This summary is subject to the specific instructions that non-registered shareholders receive on the forms they receive from the Corporation or the Intermediary, as applicable.

In most cases, a non-registered shareholder will receive, as part of the materials for the Meeting, a voting instruction form. If the non-registered shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder’s behalf), the voting instruction form must be completed in accordance with the directions on the form. If a non-registered shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the holder’s behalf), the non-registered shareholder must complete the voting instruction form in accordance with the directions provided, and a proxy, giving the right to attend and vote, will be forwarded to the non-registered shareholder.

Less frequently, a non-registered shareholder will receive, as part of the materials for the Meeting, forms of proxy that have already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the non-registered shareholder but which is otherwise uncompleted. If the non-registered shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the non-registered shareholder must complete a proxy using one of the methods described therein. If a non-registered shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the non-registered shareholder must strike out the names of the persons named in the proxy and insert the non-registered shareholder's (or such other person's) name in the blank space provided and return the proxy in accordance with the instructions provided by the Corporation or the Intermediary, as applicable.

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

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

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

APPOINTMENT OF AUTHORIZED REPRESENTATIVE BY PROXY

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

REVOCAION OF PROXIES

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

EXERCISE OF VOTING RIGHTS BY PROXIES

The persons named in the enclosed form of proxy or voting instruction form will vote the Common Shares in respect of which they are appointed as proxy in accordance with the instructions given by the shareholder thereon. **In the absence of such instructions, Common Shares will be voted IN FAVOUR of the matters identified in this notice.**

The enclosed form of proxy or voting instruction form confers discretionary authority with respect to amendments or variations to matters identified in the Notice of Meeting, and with respect to any other matter which may properly come before the Meeting. As at the date of this Circular, the Corporation is not aware of any amendments, variations or other matters proposed or likely to come before the Meeting, except those that are indicated in the Notice of Meeting. If any matters which are not known as of the date hereof should properly come at the Meeting, the persons named in the accompanying form of proxy or voting instruction form will vote on such matters in accordance with their best judgment.

VOTING OF SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares issuable in series. There are currently 93,964,093 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to vote at any meeting of shareholders. All holders of Common Shares of record at the close of business on March 28, 2013 will be entitled to receive notice of the Meeting and to vote at the Meeting.

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

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

To the knowledge of the directors and executive officers of the Corporation, on March 28, 2013, no person or entity beneficially owned or controlled or directed, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all Common Shares, other than the following person or entity:

PERSON/ENTITY	APPROXIMATE NUMBER OF COMMON SHARES BENEFICIALLY OWNED OR CONTROLLED OR DIRECTED	APPROXIMATE PERCENTAGE OF ISSUED AND OUTSTANDING COMMON SHARES BENEFICIALLY OWNED OR CONTROLLED OR DIRECTED
Goodman & Company, Investment Counsel Ltd.	17,562,574	18.69%
Caisse de dépôt et placement du Québec	9,830,880	10.46%

MATTERS TO BE ACTED UPON AT THE MEETING

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

1. To receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2012 (“**Fiscal 2012**”), together with the report of the auditor thereon;
2. To elect directors for the ensuing year;
3. To appoint the auditor of the Corporation for the ensuing year and authorize the directors of the Corporation to fix its remuneration;
4. To consider and, if deemed appropriate, to adopt, with or without variation, a resolution to amend the Corporation’s By-Laws by the addition of new By-law No. 5 – Advance Notice By-law, as more fully described in the accompanying management information circular;
5. To consider and, if deemed appropriate, to adopt, with or without variation, a special resolution to reduce the stated capital account maintained in respect of the Common Shares of the Corporation to \$500,000, and to credit to the contributed surplus account of the Corporation an amount equal to the difference between the current stated capital account maintained in respect of the Common Shares and \$500,000; and
6. To transact such other business that may properly come before the Meeting.

PRESENTATION OF FINANCIAL STATEMENTS

The Corporation's audited consolidated financial statements for Fiscal 2012, together with the report of the auditor thereon will be placed before the Meeting. The annual audited consolidated financial statements of the Corporation are available on SEDAR at www.sedar.com. No vote with respect thereto is required nor will be taken.

ELECTION OF DIRECTORS

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

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

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

Management of the Corporation recommends that the Board be composed of the seven directors of the Corporation for the coming year, namely, John A. Hanna, Jean La Couture, Lise Lachapelle, Richard Laflamme, Daniel L. Lafrance, William A. Lambert and Michel Letellier.

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

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

Majority Voting Policy

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

Nominees

The following table sets forth the names of all persons proposed to be nominated for election as directors (the "Nominees"), their place of residence, their principal occupation(s) for the preceding five years, their other directorships, the date on which they became directors of the Corporation, their age, the Board committees of the Corporation on which they serve and the number of voting securities of the Corporation beneficially owned, or over which control or direction is exercised, directly or indirectly, by each of them, as at March 28, 2013.

JOHN A. HANNA ⁽¹⁾⁽²⁾		INDEPENDENT
Residence, Principal Occupation & Other Directorships		
John A. Hanna, residing in Toronto, Ontario, Canada, has acted as a corporate director as his principal occupation since November 2005. From 2003 until July 2005, he was Chief Executive Officer of Rexel Canada Electrical Inc. Graduated from Loyola University (now Concordia University) in 1967 with a bachelor's degree of commerce (accounting), John A. Hanna is also a FCPA and Fellow of CGA Canada. He currently acts as a director of Uni-Sélect Inc. and Russel Metals Inc., which are both reporting issuers and, since April 2009, as a member of the independent audit committee of Transport Canada and Infrastructure Canada.		
Chair and Committee Membership:		Chair of the Audit Committee Member of the Nominating Committee
Director since:		June 2003
Age:		70
Common Shares beneficially owned or controlled or directed:		53,800
Percentage of Common Shares:		0.057%
Total Value of the Common Shares held⁽⁴⁾		\$518,632

LISE LACHAPELLE ⁽¹⁾		INDEPENDENT
Residence, Principal Occupation & Other Directorships		
Lise Lachapelle, residing in Île-des-Soeurs, Québec, Canada, has acted as a corporate director and consultant as her principal occupation since January 2002. She was President of the Canadian Pulp and Paper Association from 1994 to 2002 and now acts as advisor to corporations and governments on strategic and economic issues. She graduated in 1971 with a bachelor's degree in business administration from Université de Montréal (HEC Montréal). Lise Lachapelle currently acts as a director of Russel Metals Inc. and Industrial-Alliance, Insurance and Financial Services Inc., which are both reporting issuers.		
Chair and Committee Membership:		Chair of the Corporate Governance Committee Member of the Nominating Committee
Director since:		June 2003
Age:		63
Common Shares beneficially owned or controlled or directed:		10,220
Percentage of Common Shares:		0.011%
Total Value of the Common Shares held⁽⁴⁾		\$98,521

JEAN LA COUTURE ⁽¹⁾⁽³⁾ , CHAIRMAN OF THE BOARD		INDEPENDENT
Residence, Principal Occupation & Other Directorships		
Jean La Couture, residing in Montréal, Québec Canada, is President of Huis Clos Ltée, a management and mediation firm. He is also President of the "Regroupement des assureurs de personnes à charte du Québec", a Québec association of life insurers, and Chairman of the Board of the Institute of Corporate Directors, Quebec Chapter. He is Chairman of the Board of Groupe Pomerleau and director and Chairman of the Audit Committee of Québecor Inc., a reporting issuer. He is also director of Caisse de dépôt et placement du Québec.		
Chair and Committee Membership:		Chairman of the Board of Directors Chair of the Nominating Committee Member of the Corporate Governance Committee Member of the Human Resources Committee Member of the Audit Committee
Director since:		June 2003
Age:		66
Common Shares beneficially owned or controlled or directed:		19,601
Percentage of Common Shares:		0.021%
Total Value of the Common Shares held⁽⁴⁾		\$188,954

RICHARD LAFLAMME ⁽¹⁾		INDEPENDENT
Residence, Principal Occupation & Other Directorships		
Richard Laflamme, residing in St-Laurent, île d'Orleans, Québec, Canada has acted as corporate director and consultant in pension funds as his principal occupation since December 2012. Previously, he was General Manager of the Université du Québec Pension Fund from April 2004 to December 2012. He was a director of Innergex Inc. from 1997 until 2003 and was Chairman of the Board of Directors of Innergex GP Inc. from 1997 to 1999. Richard Laflamme held various positions with the Fédération des Caisses Desjardins du Québec from 1984 to 2004. He graduated in business and accounting from Université Laval (1983) and graduated from the Canadian Securities Institute (IDA 1988). Richard Laflamme currently sits on the board of various non-profit organizations. He has been an independent member of the retirement committees of the policemen and policewomen as well as of the manual workers of Québec City since 2008.		
Chair and Committee Membership:		Chair of the Human Resources Committee Member of the Corporate Governance Committee Member of the Nominating Committee
Director since:		June 2003
Age:		56
Common Shares beneficially owned or controlled or directed:		12,000
Percentage of Common Shares:		0.013%
Total Value of the Common Shares held⁽⁴⁾		\$115,680

DANIEL L. LAFRANCE ⁽¹⁾		INDEPENDENT
Residence, Principal Occupation & Other Directorships		
Daniel L. Lafrance, residing in Kirkland, Québec, Canada, is Senior Vice-President Finance and Procurement, Chief Financial Officer and Secretary of Lantic Inc., wholly owned by Rogers Sugar Inc. Holding a bachelor's degree in business (1976) and a specialty in accounting (1977) from the University of Ottawa, Daniel L. Lafrance has also been a member of the Ordre des comptables professionnels agréés du Québec since 1980 and of the Institute of Chartered Accountants of Ontario. He currently acts as a director of the Canadian Sugar Institute.		
Chair and Committee Membership:		Member of the Audit Committee. Member of the Human Resources Committee Member of the Nominating Committee
Director since:		June 2003
Age:		58
Common Shares beneficially owned or controlled or directed:		25,000
Percentage of Common Shares:		0.027%
Total Value of the Common Shares held⁽⁴⁾		\$241,000

WILLIAM A. LAMBERT		INDEPENDENT
Residence, Principal Occupation & Other Directorships		
William A. Lambert, residing in Toronto, Ontario, Canada, has acted as a corporate director as his principal occupation since December 2009. He was a partner of Birch Hill Equity Partners from August 2005 to December 2009 and was an officer of TD Capital Group Limited from 1987 to January 2006. William A. Lambert received an MBA from York University and a Bachelor's of Science in Electrical Engineering from the Massachusetts Institute of Technology. He currently acts as a director of Ag Growth International Inc. and Biox Corporation, both of which are reporting issuers.		
Chair and Committee Membership:		Member of the Corporate Governance Committee Member of the Nominating Committee
Director since:		October 2007
Age:		61
Common Shares beneficially owned or controlled or directed:		153,300
Percentage of Common Shares:		0.163%
Total Value of the Common Shares held⁽⁴⁾		\$1,477,812

MICHEL LETELLIER	NON-INDEPENDENT
Residence, Principal Occupation & Other Directorships	
Michel Letellier, residing in St-Lambert, Québec, Canada, has been the President and Chief Executive Officer of the Corporation since October 25, 2007. He acted as Executive Vice President and Chief Financial Officer of the Corporation from 2003 until his appointment as President of the Corporation. From 1997 to 2003, Michel Letellier was Vice President and Chief Financial Officer of Innergex GP Inc. and was responsible for the financial management of the affairs of Innergex GP Inc., Innergex, Limited Partnership and Innergex Power Income Fund. Michel Letellier holds a MBA from Université de Sherbrooke as well as a bachelor's degree in commerce (finance) from Université du Québec à Montréal. He currently acts as a director of KP Tissue Inc., a reporting issuer.	
Chair and Committee Membership:	N/A
Director since:	October 2002
Age:	48
Common Shares beneficially owned or controlled or directed:	606,808
Percentage of Common Shares:	0.646%
Total Value of the Common Shares held⁽⁴⁾	\$5,849,629

- (1) John A. Hanna, Lise Lachapelle, Jean La Couture, Richard Laflamme and Daniel L. Lafrance were appointed directors of the Corporation on March 29, 2010 upon completion of the Arrangement. Prior to the Arrangement, they had all been trustees of the Fund since 2003.
- (2) John A. Hanna also holds 4,000 Series A Shares, representing 0.118% of the total number of Series A Shares issued and outstanding.
- (3) Jean La Couture also indirectly holds \$200,000 principal amount of convertible debentures of the Corporation (the "Convertible Debentures"). The Convertible Debentures are convertible at the holder's option into Common Shares at a conversion price of \$10.65 per Common Share, being a ratio of approximately 93.8967 Common Shares per \$1,000 principal amount of Convertible Debentures.
- (4) Value is based on the Common Shares price of \$9.64 at the closing of the market on March 28, 2013.

Policy regarding minimum shareholding by Directors

The Board adopted a Policy Regarding Minimum Shareholding by Directors on June 1, 2010 whereby the non-management directors of the Corporation are required to acquire, over a three-year period, a number of Common Shares having an investment value equal to at least three times the initial annual base retainer for directors of the Corporation in force when they joined the Board and shall maintain such participation as long as they remain directors of the Corporation. The investment in Common Shares is valued under the policy at the greater of (i) the closing price of the Common Shares at the end of the preceding fiscal year or (ii) their acquisition cost at the time they were acquired (which acquisition cost is deemed to be \$8.32 for all shares acquired in the context of the Arrangement and \$11.00 for the shares acquired on or prior to the initial public offering of the Corporation). The three-year period began on March 29, 2010 for the current directors and, for any future director, will begin at the date of his/her election. As at the date of the Circular, all board members are in compliance with the Policy Regarding Minimum Shareholding by Directors.

Bankruptcy, Insolvency and Cease-Trade Order

As a director of Quebecor Inc., the controlling shareholder of Quebecor World Inc., Jean La Couture was asked to join the board of directors of Quebecor World Inc. on December 10, 2007. On January 21, 2008, Quebecor World Inc. filed for protection under the *Companies Creditors Arrangement Act* in Canada and Chapter 11 of the U.S. *Bankruptcy Code*. Jean La Couture resigned as Director of Quebecor World Inc. on December 16, 2008.

Lise Lachapelle was a director of AbitibiBowater Inc. from 2007 to December 2010. In April 2009, AbitibiBowater Inc., together with certain of its U.S. and Canadian subsidiaries, filed voluntary petitions in the United States *Bankruptcy Court* for the District of Delaware for relief under the provisions of Chapter 11 and Chapter 15 of the United States *Bankruptcy Code*, as amended, and certain of its Canadian subsidiaries sought creditor protection under the *Companies' Creditors Arrangement Act* with the Superior Court of Québec in Canada. AbitibiBowater Inc. has completed its reorganization and has emerged from creditor protection under the *Companies' Creditors Protection Act* in Canada and Chapter 11 of US *Bankruptcy Code*, and was relieved of Bankruptcy protection in December 2010.

To the knowledge of the Corporation and with the exception of the foregoing, none of the Nominees (a) is, as of the date of this Circular, nor has been within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of a corporation that (i) was subject to a cease trade order, an order similar to a cease trade order or an order which denied the relevant corporation access to any exemption under securities legislation which was in effect for a period of more than 30 consecutive days that was issued while the Nominee was acting in the capacity of director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order which denied the relevant corporation access to any exemption under securities legislation that was issued after the Nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer, (b) is, as of the date of this Circular, nor has been within ten years before the date of this Circular, a director or executive officer of any corporation, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) has, within ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Nominee.

Record of Attendance

The following table sets forth the record of attendance of the directors of the Corporation for meetings of the Board and, where applicable, for meetings of the Audit Committee, the Corporate Governance Committee, the Human Resources Committee and the Nominating Committee for Fiscal 2012.

DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	NUMBER OF AUDIT COMMITTEE MEETINGS ATTENDED	NUMBER OF CORPORATE GOVERNANCE COMMITTEE MEETINGS ATTENDED	NUMBER OF HUMAN RESOURCES COMMITTEE MEETINGS ATTENDED	NUMBER OF NOMINATING COMMITTEE MEETINGS ATTENDED
JOHN A. HANNA	11/11	4/4	–	–	1/1
JEAN LA COUTURE	11/11	4/4	3/3	6/6	1/1
LISE LACHAPELLE	11/11	–	3/3	-	1/1
RICHARD LAFLAMME	10/11	–	3/3	6/6	1/1
DANIEL L. LAFRANCE	11/11	4/4	–	6/6	1/1
WILLIAM A. LAMBERT	11/11	–	2/3	–	1/1
MICHEL LETELLIER	11/11	–	–	–	-
SUSAN M. SMITH ⁽¹⁾	4/4	–	2/2	–	1/1

(1) Susan M. Smith ceased being a director of the Corporation effective May 14, 2012

COMPENSATION OF DIRECTORS

The following table provides a summary of the compensation earned by the directors of the Corporation (other than Michel Letellier who also acted as officer of the Corporation in Fiscal 2012 and who did not receive any compensation for his services as director) for services received in such capacity during Fiscal 2012.

NAME	FEES EARNED (\$)	SHARE-BASED AWARDS (\$)	OPTION-BASED AWARDS (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)	PENSION VALUE (\$)	ALL OTHER COMPENSATION (\$)	TOTAL (\$)
JOHN A. HANNA	85,750	-	-	-	-	-	85,750
JEAN LA COUTURE	100,000	-	-	-	-	-	100,000
LISE LACHAPPELLE	71,750	-	-	-	-	-	71,750
RICHARD LAFLAMME	87,500	-	-	-	-	-	87,500
DANIEL L. LAFRANCE	90,250	-	-	-	-	-	90,250
WILLIAM A. LAMBERT	68,500	-	-	-	-	-	68,500
SUSAN M. SMITH ⁽¹⁾	33,250	-	-	-	-	-	33,250

(1) Susan M. Smith ceased being a member of the Board effective May 14, 2012.

In Fiscal 2012, directors (other than Michel Letellier) were paid a base compensation and were paid for attendance at the Corporation's Board meetings in accordance with the amounts set out below. Michel Letellier, as a director of the Corporation, who was also officer of the Corporation, was not entitled to remuneration for his services to the Corporation as a director. All directors were reimbursed for out-of-pocket expenses incurred in connection with their duties as directors. The Corporate Governance Committee conducts an annual review of all aspects of director compensation to ensure compensation reflects the time and effort expended and remains appropriate within the market. The Board determines director compensation based on the recommendations of the Corporate Governance Committee. The Board has reviewed the fees payable to directors and committee members for the financial year commencing January 1, 2013 to, among other things, adjust them to match the fees payable to boards of similar corporations.

COMPENSATION	FISCAL 2012		FISCAL 2013	
	AMOUNT	TOTAL PAID	AMOUNT	TOTAL PAYABLE
Directors' base compensation	\$37,500 per year	\$206,250	\$43,000 per year	\$258,000
Chairman of Board	\$100,000 ⁽¹⁾ per year	\$100,000	\$129,000 ⁽¹⁾ per year	\$129,000
Chair of Committee (other than Audit and Nominating)	\$5,000 per year	\$10,000	\$10,000 per year	\$20,000
Chair of Audit Committee	\$15,000 per year	\$15,000	\$15,000 per year	\$15,000
Committee Members - Audit	\$5,000 per year	\$5,000	\$5,000 per year	\$5,000
Committee Members - Other	\$2,500 per year	\$18,750	\$2,500 per year	\$20,000
Attendance at Meetings				
- in person	\$2,000 per meeting	\$182,000	\$2,000 per meeting	Determined according to number of meetings
- by conference call	\$1,000 per meeting (if less than 1 hour); \$2,000 per meeting (otherwise)		\$1,000 per meeting (if less than 1 hour); \$2,000 per meeting (otherwise)	

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

APPOINTMENT OF THE AUDITOR OF THE CORPORATION

Deloitte s.e.n.c.r.l. has been acting as the auditor of the Corporation since 2004.

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

ADOPTION OF THE ADVANCE NOTICE BY-LAW

At the Meeting, the shareholders will be asked to consider and, if deemed advisable, adopt, with or without amendments, a resolution amending the Corporation's General By-Laws by the addition of By-law No. 5 - Advance Notice By-law.

Background and Reasons for the Adoption of the Advance Notice By-Law

On March 14, 2013, subject to receipt of shareholders' approval, the Board approved the amendment to the Corporation's General By-Laws by the addition of new By-Law No. 5 – Advance Notice By-law (the "**Advance Notice By-Law**"). Among other things, the Advance Notice By-Law sets a deadline by which shareholders must submit a notice of director nominations to the Corporation prior to any annual or special meeting of shareholders where directors are to be elected and, furthermore, sets forth the information that a shareholder must include in the notice for it to be valid. This Advance Notice By-Law will allow the Corporation to receive adequate prior notice of director nominations as well as sufficient information on the nominees and the Corporation will consequently be able to evaluate the proposed nominees' qualifications to act as directors. No person will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice By-Law.

In the case of an annual meeting of shareholders, notice to the Corporate Secretary of the Corporation must be made not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the nominating shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date.

In the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), notice to the Corporate Secretary of the Corporation must be made not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a nominating shareholder's notice.

The Board may, in its sole discretion, waive any requirement of the Advance Notice By-Law.

On March 14, 2013, the Board approved the Advance Notice By-Law, subject to receipt of shareholder approval. As such, the Advance Notice By-Law is not currently effective and will only become effective upon approval by shareholders. The full text of the Advance Notice By-Law is set forth in Schedule "A.1" attached hereto.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to adopt, with or without variation, a resolution, in the form set out in Schedule A (the "**By-Law Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, approving the Advance Notice By-Law.

Vote Required and Recommendation of the Board

The Board recommends the adoption of the By-Law Resolution. To be effective, the By-Law Resolution must be approved by not less than a majority of the votes cast by the shareholders present in person, or represented by proxy, at the Meeting. The

persons whose names are printed in the form of proxy intend to vote “FOR” the adoption of the By-Law Resolution unless specifically instructed on the form of proxy to vote against such resolution.

STATED CAPITAL REDUCTION

At the Meeting, the shareholders will be asked to consider and, if deemed advisable, adopt, with or without amendments, a special resolution to reduce the stated capital account maintained in respect of the Common Shares to \$500,000, and to credit to the contributed surplus account maintained in respect of the Common Shares an amount equal to the difference between the current stated capital of the Common Shares and \$500,000.

Background and Reasons for the Reduction of Stated Capital Account Maintained in respect of the Common Shares

Under the Act, a corporation is prohibited from taking certain actions, including purchasing its own shares and declaring or paying dividends on its shares, if, among other things, there are reasonable grounds for believing that the realizable value of the corporation’s assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares.

The Corporation’s stated capital account maintained in respect of the Common Shares has recently increased following its issuance of Common Shares issued by way of private placement to the Caisse de dépôt et placement du Québec and to another group of investors on July 25 2012 and by way of dividend re-investments pursuant to the Dividend Re-Investment Plan of the Corporation implemented in September 2012.

In order to give the Board flexibility in declaring dividends in accordance with its stated policy and managing the Corporation’s capital structure going forward, the Board has decided to submit a special resolution to its shareholders for their approval of the reduction of the stated capital account maintained in respect of the Common Shares to \$500,000.

Certain Canadian Federal Income Tax Considerations

This summary is of a general nature only. It is based on the current provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”) and its Regulations, all amendments thereto proposed by the Minister of Finance (Canada) prior to the date hereof, and the Corporation’s counsel’s understanding of the current published administrative and assessing practices of the Canada Revenue Agency (“**CRA**”). This summary assumes that any proposed amendments will be enacted as intended, and that legislative, judicial or administrative actions will not modify or change the statements expressed herein. It does not otherwise take into account or anticipate any changes in laws whether by judicial, governmental or legislative decision or action or any changes in administrative practices of the CRA nor does it take into account provincial or foreign income tax legislation or considerations. All references to the Tax Act in this summary are restricted to the scope defined in this paragraph.

The reduction of stated capital account maintained in respect of the Common Shares will not result in a deemed dividend or in a reduction of the adjusted cost base of the Common Shares for shareholders of the Corporation. Furthermore, the reduction in the stated capital account of the Common Shares will not give rise to immediate tax consequences under the Tax Act for shareholders of the Corporation. Shareholders of the Corporation may wish to consult their own tax advisors with respect to the proposed stated capital account reduction. This summary is not intended to be, nor should it be construed as, legal or tax advice to shareholders of the Corporation.

Vote Required and Recommendation of the Board

The text of the special resolution, which will be submitted to shareholders at the Meeting, is set forth in Schedule “B”, attached hereto. For the reasons indicated above, the Board believes that the proposed reduction of stated capital account maintained in respect of the Common Shares is in the best interests of the Corporation and, accordingly, recommends that shareholders vote “FOR” the special resolution. The special resolution must be approved by not less than two-thirds of the votes cast by shareholders present in person or represented by proxy at the Meeting to be effective. Shareholders are specifically advised that the proposed special resolution grants the Board the discretion, without further shareholder approval, to revoke the special resolution and to not effect the reduction of the stated capital account maintained in respect

of the Common Shares. The persons whose names are printed in the form of proxy intend to vote “FOR” the adoption of the special resolution to reduce the stated capital account unless specifically instructed on the form of proxy to vote against such special resolution.

COMPENSATION OF NAMED EXECUTIVE OFFICERS

Summary

The following table presents information regarding the compensation earned in Fiscal 2010, 2011 and 2012 by the President and Chief Executive Officer of the Corporation, the Chief Financial Officer and Senior Vice President of the Corporation and the other three most highly compensated executive officers of the Corporation as of December 31, 2012 (the “Named Executive Officers or “NEO”).

NAME AND PRINCIPAL POSITION	YEAR	SALARY (\$)	SHARE-BASED AWARDS (\$) ⁽¹⁾	OPTION-BASED AWARDS (\$) ⁽²⁾	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)		PENSION VALUE (\$)	ALL OTHER ^(4/5) COMPENSATION (\$)	TOTAL COMPENSATION (\$)
					ANNUAL INCENTIVE PLANS ⁽³⁾	LONG-TERM INCENTIVE PLANS			
MICHEL LETELLIER President and Chief Executive Officer	2012	375,000	167,714	79,205	259,800	–	–	11,725	893,444
	2011	319,920	–	102,648	255,934	–	–	11,775	690,277
	2010	290,229	–	237,472	288,488	–	–	11,000	827,189
JEAN PERRON Chief Financial Officer and Senior Vice President	2012	217,500	63,701	31,025	103,936	–	–	10,875	427,037
	2011	200,687	–	61,750	98,337	–	–	9,863	370,637
	2010	191,703	–	142,483	119,455	–	–	9,585	463,226
JEAN TRUDEL Chief Investment Officer and Senior Vice President – Communications	2012	210,000	63,701	31,025	99,092	–	–	10,743	414,561
	2011	186,142	–	61,750	107,962	–	–	9,064	364,918
	2010	176,174	–	142,483	112,861	–	–	8,809	440,327
FRANÇOIS HÉBERT Senior Vice President – Operations and Maintenance	2012	190,000	50,051	23,360	82,055	–	–	8,432	353,898
	2011	172,250	–	52,000	91,293	–	–	8,432	323,975
	2010	163,882	–	118,736	86,755	–	–	8,194	377,567
RICHARD BLANCHET Senior Vice President – Western Region	2012	190,000	50,051	23,360	79,775	–	–	9,681	352,867
	2011	172,250	–	52,000	64,548	–	–	8,722	297,520
	2010	163,890	–	118,736	82,453	–	–	8,477	373,556

- (1) The value of the performance shares rights (“PSR”) granted under the Performance Share Plan (“PSP”) is based on the volume weighted average trading price of the shares on the Toronto Stock Exchange (“TSX”) for the 5 trading days immediately preceding the grant which was \$10.46 per shares. The number of performance shares pursuant to a PSR may increase or decrease if certain financial objectives are or are not reached and is based on the average total shareholder’s return (“TSR”) of years 2012, 2013 and 2014. The number of performance shares allocated in this table is based on the assumption that the TSR of year 2012 with the Target TSR for years 2013 and 2014 for an average of 8.7%, would represent a fair estimate of the average TSR of years 2012, 2013 and 2014. See the Performance Shares Plan section for more details on the calculation of the TSR. This amount does not constitute a cash amount received by the Named Executive Officers. It is an at-risk value. See the Equity-Based Incentive Plan sections.
- (2) All stock option values are based on the Black-Scholes model for valuation purposes, which establishes a value of \$1.50 per option granted during Fiscal 2010, \$0.65 per option granted during Fiscal 2011 and \$0.73 per option granted during Fiscal 2012. The Black-Scholes valuation methodology is used to value stock options because it is the predominant methodology in the marketplace. Stock options were granted on November 16, 2012 at an exercise price of \$10.70 per Common Share.
- (3) Amounts are paid in cash in the fiscal year following the fiscal year for which they were earned. Annual Incentive Plan amounts disclosed herein therefore relate to bonuses earned in Fiscal 2012 and paid in the 2013 fiscal year. See “Performance Bonus” below.
- (4) The Corporation has made contributions to the registered retirement saving plan (“RRSP”) of, and on behalf of, each of the Named Executive Officers. The Corporation matches the employee’s contribution to his RRSP up to an amount of 5% of his salary, subject to a maximum of 50% of the maximum RRSP contribution limit under the *Income Tax Act*.
- (5) The value of perquisites awarded to each Named Executive Officer in Fiscal 2012 was less than \$50,000 or 10% of the total of their respective salaries and annual incentive plans.

Compensation Governance

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

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

In 2012, the Human Resources Committee's work included, among other things:

- Setting performance objectives for the Corporation and the President and Chief Executive Officer and evaluating his performance;
- Supervising the implementation of the Performance Share Plan of the Corporation;
- Reviewing and adjusting the Corporation's executive compensation program, including base remuneration, short-term and long-term incentives and all other advantages;
- Reviewing the Corporation's succession planning for the President and Chief Executive Officer and the executive officers including discussions of development plans;
- Reviewing and assessing the risks associated with the Corporation's compensation policies and practices.

Risk Oversight

The Human Resources Committee reviews and approves the Corporation's compensation policies and practices, taking into account any associated risks. As further described hereunder, the components of compensation include a base salary, a Short-Term Incentive Plan (Performance Bonus) and a long-term equity-base incentive plan made up of the Stock Option Plan and the Performance Share Plan. During the review performed for the 2012 fiscal year, the Committee has not identified any risks arising from the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

Moreover, the Corporation's executive officers and directors are prohibited from purchasing financial instruments relating to the Corporation's shares and the Corporation has adopted a Recoupment Policy as further described below under "Other Key Compensation Policies of the Corporation".

Independent Advisors

To assist the Human Resources Committee in reviewing, adjusting and redesigning the Corporation's executive compensation program, the committee retained the services of Mercer Canada Limited in August 2011, an independent compensation consultant based in Montréal, Québec, Canada (the "**Compensation Consultant**"), who reported solely to the Chair of the Human Resources Committee.

The mandate of the Compensation Consultant was to perform an executive compensation analysis in 2011 of the officers of the Corporation, perform a quantitative benchmark with respect to the overall compensation of the officers of the Corporation including base salary, short-term incentive (bonus), long-term incentive program and all other incentives, make recommendations to the Human Resources Committee and design a long-term incentive program (the "**Mandate**").

In 2012, the only services performed by the Compensation Consultant were to review the design and implementation of the Performance Share Plan.

Other services of the Compensation Consultant may be provided to the Corporation without the prior approval of the Human Resources Committee.

The following table outlines the fees paid to the Compensation Consultant for services provided during financial years 2011 and 2012.

ADVISOR	EXECUTIVE COMPENSATION-RELATED FEES (\$)		ALL OTHER FEES ⁽¹⁾ (\$)	
	2012	2011	2012	2011
Mercer Canada Ltd.	11,738	58,387	-	6,088

(1) The fees included in this category relate to services provided in the design and implementation of a Performance Shares Plan (defined below under Executive Compensation Practices).

Comparison Group

The comparison group used by the Corporation to determine the compensation of the executive officers of the Corporation is composed of the 18 publicly-traded corporations or funds listed below, taking into account the location, the industry, the capitalization, the earnings before interest, taxes, depreciation and amortization and the total assets of the Corporation. This comparison group was created by the Compensation Consultant in 2011 except that Brookfield Renewable Energy Partners LP and Valener Inc. were removed from the Comparison Group for Fiscal 2012.

COMPARISON GROUP		
Algonquin Power & Utilities Corp.	Capstone Infrastructure Corp.	Northland Power Inc.
Atlantic Power Corp.	Churchill Corporation	Richelieu Hardware Ltd.
Atrium Innovations Inc.	Genivar Inc.	Rogers Sugar Inc.
Bird Construction Company Ltd.	Just Energy Group Inc.	TransForce Inc.
Boralex Inc.	Lassonde Industries Inc.	Uni-Select Inc.
Capital Power Corporation	Maxim Power Corp.	Veresen Inc.

Executive Compensation Practices

Through its executive compensation practices, the Corporation seeks to provide value to its shareholders through a strong executive leadership. Specifically, the Corporation's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Corporation's strategic objectives and to motivate and reward executives whose knowledge, skills and performance are critical to the Corporation's short and long term success. It also seeks to align the interests of the Corporation's executives and shareholders by motivating executives to increase shareholder value and preserve a stable dividend while building for the future. Accordingly, a significant portion of the executives' compensation is contingent on performance as it is directly related to the Corporation's results.

Compensation of the Corporation's executive officers for Fiscal 2012 was comprised of a base salary, contributions to RRSPs, annual performance bonuses and an equity-based incentive plan composed of the grant of options to purchase Common Shares under the Stock Option Plan of the Corporation and the grant of performance shares rights under the Performance Share Plan of the Corporation (the "**Performance Share Plan**").

Base Salary

The Corporation's approach is to pay its executives a base salary that is competitive with those of other executive officers in comparable companies in the renewable energy industry or comparable industries, taking into account the capitalization, the location, the earnings before interest, taxes, depreciation and amortization (the "EBITDA") and the total assets under management, such as those listed in the Comparison Group. The Corporation believes that a competitive base salary is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. The Corporation also believes that attractive base salaries can motivate and reward executives for their overall performance.

As of November 1, 2011, further to the analysis of the Compensation Consultant, the Human Resources Committee recommended and the Board authorized an increase to the base salary of the President and Chief Executive Officer of the Corporation to \$375,000, representing an increase of approximately 17% over the base salary of \$319,920 he earned in Year 2011, to position him at the median of the Comparison Group for positions involving similar responsibilities. The base salaries of the other executive officers of the Corporation were also increased to position them at the median of the Comparison Group for positions involving similar responsibilities.

The base salary of each executive is reviewed annually and may be adjusted in accordance with certain criteria including, without limitation, (i) past salary, (ii) changes in the compensation for comparable companies such as those listed in the Comparison Group and (iii) changes in the duties and responsibilities. The President and Chief Executive Officer typically suggests adjustments to the Human Resources Committee which analyses the suggestions based on the Corporation's approach to executive compensation and makes recommendations to the Board.

Performance Bonus

The executive officers of the Corporation have an opportunity to earn an annual bonus based on individual performance in the context of the overall performance of the Corporation. Individual target bonuses, which were established by the Human Resources Committee and approved by the Board, will typically vary between 35% and 120% of the base salary of executive officers. For Fiscal 2012, the Human Resources Committee recommended, and the Board authorized, a performance bonus to executive officers based on the following 2012 Corporate Objectives:

2012 CORPORATE OBJECTIVES	WEIGHTING
Operation Objectives	
<ul style="list-style-type: none"> Adjusted distribution payout ratio 	50% for all Named Executive Officers
Development Objectives	
<ul style="list-style-type: none"> Perform work in respect of projects under construction on time and on budget 	10% for all Named Executive Officers
<ul style="list-style-type: none"> Achievement of important milestones for the development projects (permits, closing of financing, start of construction, COD) 	10% for all Named Executive Officers
<ul style="list-style-type: none"> Stakeholders relations (communities, First Nations, investors, governments) 	10% for all Named Executive Officers
<ul style="list-style-type: none"> Actions for the development of prospective projects portfolio 	10% for all Named Executive Officers
Personal objectives	10% for all Named Executive Officers

As reflected in the break-down provided above, bonuses are primarily based upon the performance of the Named Executive Officers for their involvement in the successful achievement by the Corporation of its goals for the year. The primary objective of the Corporation's bonus payments is to motivate and reward its Named Executive Officers for meeting the Corporation's short-term objectives using a performance-based compensation program. The Corporation does not believe that it is possible to specifically quantify every important aspect of executive performance in a predetermined objective goal. For example, the extent of the actions to realize value of the prospective projects portfolio may become a more important objective of the executive team if a request for proposals is launched by a governmental authority during the year or the priority may differ if an interesting acquisition opportunity is pursued by the Corporation. Such events may occur after the

Corporation has established the executives' performance goals for the year and require its executives to focus their attention on different or other strategic objectives.

In Fiscal 2012, the Corporation achieved its short-term corporate objectives, as follows:

- **The Adjusted Distribution Payout Ratio**

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

Net income, before income taxes; plus unrealized loss on derivative financial instruments, depreciation, amortization and transaction costs minus unrealized gain on derivative financial instruments,

adjusted by

- principal reimbursements of project financing long-term debt,
- current income tax,
- maintenance capital expenditures,
- minority interests related to previous elements,
- dividends on preferred shares, and
- other special elements the Human Resources Committee, in conjunction with the Audit Committee, may exclude from or include in the calculation.

- **Perform work in respect of projects under construction on time and on budget**

In Fiscal 2012, among other things, the Corporation achieved the following:

- the Corporation had five projects under construction amongst which the Stardale solar farm and phase II of the Gros-Morne wind farm were completed and achieved commercial operation;
- Phase II of the Gros-Morne Wind Farm reached commercial operation 24 days prior to the anticipated date with constructions costs \$2.9 million lower than budgeted;
- the Stardale solar farm reached commercial operation with construction costs lower than budgeted; and
- the stage of advancement of the three other construction projects, namely the Northwest Stave, Kwoiek Creek and Viger-Denonville projects were, as of the end of the Fiscal 2012, on time and on budget.

- **Achievement of important milestones for the development and construction projects**

In Fiscal 2012, the Corporation had eight development projects at either the construction or permitting stage. The Corporation achieved the following:

- completed the closing of the Kwoiek Creek hydroelectric project financing, a \$168.5 million non-recourse construction and term project financing at a fixed interest rate of 5.07%;
- as a result of intensive efforts devoted for social and environmental acceptability of the Viger-Denonville wind project, a decree confirming that the Viger-Denonville wind project will not be subject to a public hearing process was obtained in the third quarter of 2012, consequently realizing costs and time savings;
- completed the studies and the process in view of obtaining the Environmental Assessment Certificate from the Province of British-Columbia for the Boulder Creek, North Creek and Upper Lillooet projects; and
- all other development projects important milestones were reached on time as of December 31, 2012.

- **Stakeholders relations (communities, First Nations, investors, governments)**

Throughout Fiscal 2012, the Corporation intensified its activities to enhance its relationship with stakeholders and to develop and strengthen its partnership and involvement with communities as well as social acceptance. These activities resulted in, among others:

- negotiated and entered into a Participation Agreement with the Mount Currie Indian Band in regard with the Upper Lillooet River Project;
- met at least once during the year with over 80% of existing institutional investors; and
- participated in several investors' forums.

- **Actions to realize value of prospective projects portfolio**

- the renewal of over 40 licences in British Columbia;
- the Corporation entered into a partnership agreement with the Mi'gmwei Mawioni for the development of a large wind farm in the Gaspé Peninsula of the Province of Quebec, which the parties intend to submit if and when an eventual request for proposals would be announced.

- **Personal Objectives**

At the beginning of each year, each Named Executive Officer meets with the President and Chief Executive Officer to set his individual objectives, specific for his sector for the year, while the President and Chief Executive Officer meets with the Human Resources Committee for his own objectives. Such objectives include qualitative and quantitative elements necessary to be accomplished during the current year to reach the short and long-term objectives of the Corporation.

Equity-Based Incentive Plan

The Equity-Based Incentive Plan of the Corporation is composed of a mix of the stock option plan and the performance share plan and was deployed by the Board effective as of January 1, 2012. It is composed of the existing stock option plan of the Corporation (the “**Stock Option Plan**”) with annual grant recommendations by the Human Resources Committee to the Board and a non-dilutive performance shares plan with grants of performance shares rights on an annual basis, with a three-year vesting period and conditional upon the employee being in the employ of the Corporation at the time of vesting and realizing pre-determined financial objectives based on total shareholder return (the “**Performance Shares Plan**”).

The implementation of the dual Equity-Based Incentive Plan is expected to have an impact on the number of options granted for Year 2012 and beyond; grants under both plans will be considered together as the Equity-Based Incentive Plan of the Corporation. Grants under the Stock Option Plan and the Performance Share Plan will be recommended on a yearly basis by the Human Resources Committee to the Board, which ultimately has the responsibility to award grants under both plans. When new grants are considered, previous grants are used for reference purposes only and do not bind the Board.

The Corporation has set the following annual maximum levels for Stock options and Performance Shares Rights granted to Named Executive Officers:

TITLE	MAXIMUM LEVEL OF STOCK OPTIONS	MAXIMUM LEVEL OF PSRs
CEO President	From 0 to a maximum of 3 times the base salary	From 0 to a maximum of 3 times the base salary
CFO and CIO	From 0 to a maximum of 2 times the base salary	From 0 to a maximum of 2 times the base salary
Senior V-P	From 0 to a maximum of 1.5 times the base salary	From 0 to a maximum of 1.5 times the base salary

Stock Option Plan

The Corporation's granting of options to purchase Common Shares to its executive officers is a method of compensation which is used to attract and retain personnel and to provide an incentive to participate in the long-term development of the Corporation and to increase shareholder value. The relative emphasis of options for remunerating executive officers and employees prior to the implementation of the Equity-Based Incentive Plan was generally varying depending on the prevailing practices in competing companies and on the number of options to purchase Common Shares that were outstanding at the time.

The Stock Option Plan was adopted by resolution of the Board on December 3, 2007 in connection with the Corporation's initial public offering, which provides for the granting of options to purchase Common Shares by the Board to employees, officers, directors and certain consultants of the Corporation and its subsidiaries. Options granted under the Stock Option Plan have an exercise price of not less than the market price (the "**Market Price**") of the Common Shares at the date of grant of the option, calculated as the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the date of grant.

The following table summarizes the Corporation's historical grants of options to its executive officers as well as the exercise price of each grant.

GRANT DATE	TOTAL STOCK OPTION GRANT	EXERCISE PRICE ⁽¹⁾	EXERCISE PRICE CALCULATION
December 11, 2007	1,410,000	\$11.00	Offering price of the Corporation's initial public offering
June 23, 2010	808,024	\$8.75	Volume weighted average trading price of the shares on the TSX for the 5 trading days immediately preceding the grant
November 17, 2011	835,420	\$9.88	Volume weighted average trading price of the shares on the TSX for the 5 trading days immediately preceding the grant
November 18, 2012	417,000	\$10.70	Volume weighted average trading price of the shares on the TSX for the 5 trading days immediately preceding the grant

The maximum aggregate number of Common Shares which may be subject to options under the Stock Option Plan is 4,064,123, representing approximately 4% of the issued and outstanding Common Shares as at March 28, 2013. Since the Stock Option Plan's inception, 3,470,444 options have been granted, of which 57,904 have been exercised, and 650,856 have been cancelled. Accordingly, as of the date hereof, 2,761,684 options are currently under grant, representing approximately 3% of the issued and outstanding Common Shares and 1,244,535 options are available for future grants. Any Common Shares subject to an option that expires or terminates without having been fully exercised may be made the subject of a further option. The number of Common Shares issuable to non-executive directors of the Corporation under the Stock Option Plan or any other securities based compensation arrangement of the Corporation cannot at any time exceed 1% of the issued and outstanding Common Shares. The number of Common Shares issuable to insiders of the Corporation, at any time, under the Stock Option Plan and any other securities based compensation arrangement cannot exceed 10% of the issued and outstanding Common Shares. The number of Common Shares issued to insiders, within any one year period, under the Plan and any other securities based compensation arrangement cannot exceed 10% of the issued and outstanding Common Shares.

Options must be exercised during a period established by the Board, which may not be greater than ten years after the date of grant. Subject to the discretion of the Board, options granted under the Stock Option Plan will vest in four equal amounts on a yearly basis over the four years following the grant date. The options granted on June 23, 2010 will vest in five equal amounts on a yearly basis over the five years following the grant date.

If the date on which an option expires occurs during or within 10 days after the last day of a black out period under a black out policy of the Corporation, the expiry date of the option will be the last day of such 10-day period.

If approved by the Board, in lieu of paying the exercise price for the Common Shares to be issued pursuant to an exercise, the option holder may elect to acquire the number of Common Shares determined by subtracting the exercise price from the Market Price of the Common Shares on the date of exercise, multiplying the difference by the number of Common Shares in respect of which the option was otherwise being exercised and then dividing that product by such Market Price of the Common Shares.

If an optionee's employment, office or directorship with the Corporation is terminated for cause, options not then exercised terminate immediately. If an optionee dies or becomes, in the determination of the Board, permanently disabled, vested options may be exercised for that number of Common Shares which the optionee was entitled to acquire at the time of death or permanent disability, as the case may be, for a period of six months or one year after the date of death or permanent disability. Pursuant to the Stock Option Plan, upon an optionee's employment, office or directorship with the Corporation terminating or ending other than by reason of death, permanent disability or termination for cause, vested options may be exercised for that number of Common Shares which the optionee was entitled to acquire at the time of such termination. Such options may be exercised for a period of 90 days after such date. On March 14, 2013 the Board adopted a resolution to amend the Stock Option Plan to satisfy the payment of the payroll deductions obligations upon the exercise of an option by an optionee who is no longer at the employment of the Corporation at the time of exercise of the option. This amendment was approved by the TSX and will be effective as of April 2, 2013. The limitations set forth above are subject to waiver by the Board at its discretion, provided that the Board will not, in any case, authorize the exercise of an option after its applicable expiry date.

The Stock Option Plan is administered by the Board. The Board may amend, suspend or terminate the Stock Option Plan or the term of any outstanding option at any time, provided that no such amendment, suspension or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or, if the amendment, suspension or termination materially prejudices the rights of any optionholder, the consent of that optionholder. Furthermore, the Board may not, without the consent of the shareholders, make amendments to the Stock Option Plan for any of the following purposes: (i) to increase the maximum number of Common Shares that may be issued pursuant to options granted under the Stock Option Plan; (ii) to reduce the exercise price of the options to less than the market price; (iii) to reduce the exercise price for options for the benefit of an insider, as that term is defined under the Stock Option Plan; (iv) to extend the expiry date of options for the benefit of an insider (as that term is defined under the Stock Option Plan); (v) to increase the maximum number of Common Shares issuable to non-executive directors or insiders; and (vi) to amend the provisions of the Plan relating to what the Board cannot amend without shareholder approval. The Board may, without the approval of shareholders of the Corporation, amend any term of any outstanding option (including, without limitation, the exercise price, vesting and expiry), provided that: i) the required regulatory or stock exchange approval is obtained; (ii) if the amendments would reduce the exercise price or extend the expiry date of options granted to insiders, approval of shareholders must be obtained; (iii) the Board would have the authority to initially grant the option under the terms as so amended; and (iv) the consent or deemed consent of the optionholder is obtained if the amendment would materially prejudice the rights of the optionholder under the option.

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

Performance Shares Plan

The Performance Shares Plan was implemented effective as of January 1, 2012. The goal of this Plan is to motivate the executive officers to create long-term economic value for the Corporation and its shareholders. This portion of the Equity-Based Incentive Plan focuses executive officers on delivering business performance over the next three years against the

total shareholders value. The award pays out at the end of the three years depending on how well the Corporation performed against targets set at the beginning of the three-year period

The Human Resources Committee recommends to the Board the number of Performance Share Rights (“PSR”) to be granted, changes to the plan and establishes the performance objectives to be achieved, which are approved by the Board of Directors of the Corporation.

The vesting date of the PSRs is determined on the grant date which shall not exceed three (3) years thereafter. The payouts are made in shares, so the value goes up or down based on stock price performance from the beginning of the grant. On the vesting date, each PSR entitles its holder to one Common Share of the Corporation with all the dividends accrued thereon from the grant date, such dividend being either paid in cash, in shares or in a combination of both at the sole discretion of the Corporation. The Performance Share Plan is not dilutive with respect to the issued and outstanding shares of the Corporation, in that performance shares are settled in Common Shares of the Corporation purchased on the secondary market. Furthermore, PSRs are not transferable or assignable.

Unless the Human Resources Committee decides otherwise, the PSRs granted expire upon the termination of employment of their holder for any reason whatsoever except for involuntary termination of employment without cause (“**Termination Without Cause**”), death, retirement or permanent disability.

If the PSR holder retires, deceases, becomes disabled or in the event of Termination Without Cause prior to the vesting date, he or his estate is entitled, on such vesting date, to a number of PSRs in proportion to the number of days between the grant date and his Termination Without Cause, retirement, death or permanent disability date and the total number of days between the grant date and the vesting date of the PSRs.

In the event of a change of control of the Corporation, the Board may decide, to the extent that the Board considers necessary or equitable, the manner in which all the PSRs which are not yet vested shall be dealt with, including accelerating their vesting and deeming that the performance objectives have been achieved.

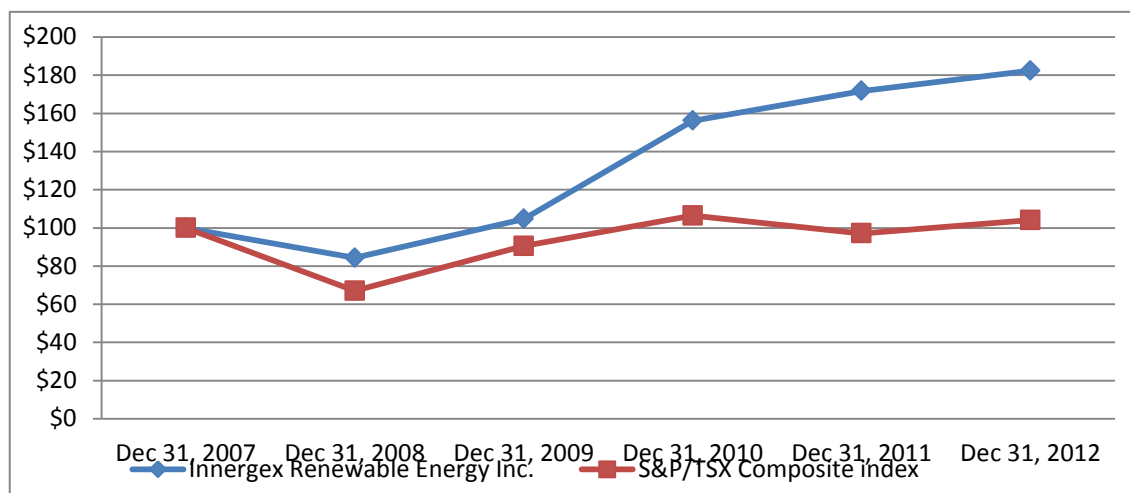
On April 10 2012, the following grants were made to the Named Executive Officers. The vesting of these PSR grants will take place on December 31, 2014 in accordance with the provisions of the Plan and based on the achievement of the following performance objectives:

NAMED EXECUTIVE OFFICERS	VESTING DATE	PERFORMANCE OBJECTIVES		
		TRIGGER: IF TSR OVER 6% AND LOWER THAN 10%	TARGET: IF TSR EQUALS 10%	MAXIMUM: IF TSR OVER 10% UP TO AND INCLUDING 18%
		#OF PSR	# OF PSR	# OF PSR
Michel Letellier	December 31,2014	10,861 to 18,099	18,100	18,101 to 27,150
Jean Perron	December 31,2014	4,201 to 6,999	7,000	7,001 to 10,500
Jean Trudel	December 31,2014	4,201 to 6,999	7,000	7,001 to 10,500
François Hébert	December 31,2014	3,301 to 5,499	5,500	5,501 to 8,250
Richard Blanchet	December 31,2014	3,301 to 5,499	5,500	5,501 to 8,250

(1) The TSR will be equal to the average of the total annual return during the three year period beginning on January 1, 2012 and ending on December 31, 2014, being: $TSR\ 3\ years = [TSR\ 2012 + TSR\ 2013 + TSR\ 2014] / 3$. The TSR for a given year equals: (all per-share dividends declared on Common Shares during the given year + the variation of the Common Share price between the end and the beginning of the year) / Common Share Price at the beginning of the year.

Performance Graph

The following graph shows, as at December 31, 2012, the cumulative total shareholder's return for the Corporation (based on a \$100 investment as at December 31, 2007 taking into account retroactively the conversion rate of 1.46 applied upon the Arrangement), compared with the S&P/TSX Composite Total Return Index (the "Index") for such period.



	Dec 31, 2007	Dec 31, 2008	Dec 31, 2009	Dec 31, 2010	Dec 31, 2011	Dec 31, 2012
Innergex Renewable Energy Inc.	\$ 100.00	\$ 84.29	\$ 104.71	\$ 156.14	\$ 171.75	\$ 182.39
Annual variation		-15.7%	24.2%	49.1%	10.0%	6.2%
S&P/TSX Composite Index	\$ 100.00	\$ 67.00	\$ 90.48	\$ 106.41	\$ 97.14	\$ 104.13
Annual variation		-33.0%	35.1%	17.6%	-8.7%	7.2%

The trend set forth in the Performance Graph of the Corporation for the shareholders' return represents a decline in 2008, when market conditions declined generally, followed by an increase in 2009, corresponding with an improvement in market conditions. The increase continued in 2010 with a gain of 31.6% over the Index, continued increasing in 2011 with a 10% gain while the Index decreased by 8.7% and continued increasing in 2012 with a 6.2% gain while the Index increased by 7.2%. During 2011, the aggregate compensation paid to the Named Executive Officers decreased by approximately 18% below the previous year compared to an increase of 10% in the shareholders' return between December 31, 2010 and December 31, 2011 and a gain of 18.7% over the Index in 2011. This gap between return and salary was partially offset in Fiscal 2012 with the review of the Corporation's compensation program to position the Corporation at the median of the Comparison Group. As a result, during Fiscal 2012, the aggregate compensation of the Named Executive Officers increased by 19% compared with the shareholders' return of 6.2% and a 7.2% for the Index. The performance bonuses awarded to the Named Executive Officers in Fiscal 2012 represent on average 53% of their salary compared to 59% in 2011.

Employment Agreements

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

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

Termination and change of control benefits

If the Corporation terminates the employment of a Named Executive Officer without cause, or if one of the President and Chief Executive Officer, Chief Financial Officer and Senior Vice President or the Chief Investment Officer and Senior Vice President - Communications terminates his employment for good and sufficient reason (as defined hereafter), the Employment Agreements provide that the Corporation must continue to pay the individual his base salary for a period of 12 to 36 months following termination and any vested and unvested options held by the Named Executive Officer must be exercised within 90 days of the termination of employment. Good and sufficient reason includes (a) if he is not appointed or reappointed as an executive officer of the Corporation, (b) if the Corporation ceases its activities in the normal course of business, (c) if the Corporation modifies significantly the functions and responsibilities of the executive officer, (d) if the Corporation reduces or fails to pay base salary or other benefits of the executive officer or (e) the employment conditions are modified in a bankruptcy or insolvency context. From the date of such termination, the Corporation is discharged from paying any group insurance premiums, contributions to RRSPs and car allowances for the Named Executive Officer. In addition, if the Corporation terminates the employment of the President and Chief Executive Officer, Chief Financial Officer and Senior Vice President or the Chief investment Officer and Senior Vice President - Communications for any reason, other than for cause, within one year following a change of control of the Corporation or if one of them terminates his employment for any reason within one year following a change of control of the Corporation, the Employment Agreements also provide that they will be entitled to the severance payments and the vesting of all outstanding options as described above.

The following table shows estimated incremental payments triggered pursuant to a termination of employment of the Named Executive Officers in the circumstances described above, with and without a change of control.

NAME	POSITION	CALCULATION FORMULA ⁽¹⁾	TERMINATION PROVISIONS VALUE	CHANGE OF CONTROL PROVISIONS VALUE
MICHEL LETELLIER	President and Chief Executive Officer	Base Salary of \$375,000 x 3 Plus \$326,894 (value of unexercised in-the-money options ⁽²⁾)	\$1,451,894	\$1,451,894
JEAN PERRON	Chief Financial Officer and Senior Vice President	Base Salary of \$217,500 x 3 Plus \$196,253 (value of unexercised in-the-money options ⁽²⁾)	\$848,753	\$848,753
JEAN TRUDEL	Chief Investment Officer and Senior Vice President – Communications	Base Salary of \$210,000 x 3 Plus \$196,253 (value of unexercised in-the-money options ⁽²⁾)	\$826,253	\$826,253
FRANÇOIS HÉBERT	Senior Vice President – Operations and Maintenance	Base Salary of \$190,000 x 1 Plus \$163,936 (value of unexercised in-the-money options ⁽²⁾)	\$353,936	— ⁽³⁾
RICHARD BLANCHET	Senior Vice President – Western Region	Base Salary of \$190,000 x 1 Plus \$163,936 (value of unexercised in-the-money options ⁽²⁾)	\$353,936	— ⁽³⁾

(1) The termination values assume that the triggering event (termination without cause by the Corporation or termination by the Named Executive Officer for good and sufficient reason) occurred on December 31, 2012. The change of control values assume that the triggering event (termination by the Corporation for any reason, other than for cause or termination by the Named Executive Officer for any reason) occurred on December 31, 2012, being within one year of the change of control.

(2) The Options granted in December 2007 and in November 2012 were not attributed any value as of December 31, 2012 as they were not in the money. The Options granted in June 2010 and in November 2011 were attributed value as they were granted at a price of \$8.75 and \$9.88 respectively and the share price was at \$10.35 at close of market on December 31, 2012.

(3) François Hébert and Richard Blanchet do not have Change of Control Provisions in their employment agreements; therefore, the Calculation Formula only applies to the Termination Provisions Value.

Pursuant to the Employment Agreements, the Named Executive Officers are also subject to non-competition covenants for a period of two years following the termination, for any reason, of the Named Executive Officer's employment with the Corporation. The Employment Agreements also include non-solicitation covenants of the Named Executive Officers which

apply throughout the Named Executive Officers' employment with the Corporation and for a period of two years following the termination, for any reason, of such employment.

Equity-Based Incentive Plan Awards

The following table sets forth details of options to purchase Common Shares and Performance Shares Rights granted to Named Executive Officers and which are outstanding.

NAME	OPTION-BASED AWARDS				SHARE-BASED AWARDS		
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE (\$)	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS (\$)	NUMBER OF SHARES OR UNITS THAT HAVE NOT VESTED ⁽¹⁾	MARKET OR PAYOUT VALUE OF THE SHARE-BASED AWARD THAT HAVE NOT VESTED ⁽²⁾ (\$)	MARKET OR PAYOUT VALUE OF VESTED SHARE-BASED AWARDS NOT PAID OUT OR DISTRIBUTED (\$)
MICHEL LETELLIER	282,000	11.00	Dec. 6, 2017	–			
	157,920	8.75	June 22, 2020	252,672			
	157,920	9.88	Nov. 17, 2018	74,222	18,100	195,320	-
	108,500	10.70	Nov. 19, 2019	–			
JEAN PERRON	94,000	11.00	Dec. 6, 2017	–			
	94,752	8.75	June 22, 2020	151,603			
	95,000	9.88	Nov. 17, 2018	44,650	7,000	75,608	-
	42,500	10.70	Nov. 19, 2019	–			
JEAN TRUDEL	94,000	11.00	Dec. 6, 2017	–			
	94,752	8.75	June 22, 2020	151,603			
	95,000	9.88	Nov. 17, 2018	44,650	7,000	75,608	-
	42,500	10.70	Nov. 19, 2019	–			
FRANÇOIS HÉBERT	94,000	11.00	Dec. 6, 2017	–			
	78,960	8.75	June 22, 2020	126,336			
	80,000	9.88	Nov. 17, 2018	37,600	5,500	59,406	-
	32,000	10.70	Nov. 19, 2019	–			
RICHARD BLANCHET	94,000	11.00	Dec. 6, 2017	–			
	78,960	8.75	June 22, 2020	126,336			
	80,000	9.88	Nov. 17, 2018	37,600	5,500	59,406	-
	32,000	10.70	Nov. 19, 2019	–			

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

(2) The value of the Performance Share Rights includes the Common Share price which was at \$10.35 at close of market on December 31, 2012 plus the dividend accrued on each shares during Year 2012. The payouts are made in shares, so the value goes up and down based on stock price performance from the beginning of the grant. On the vesting date, each PSR entitles its holder to one share of the Corporation with all the dividends accrued thereon from the grant date, such dividends being paid in cash, in shares or in a combination of both at the sole discretion of the Corporation.

Incentive Plan Awards – value vested or earned during the year

The following table summarizes, for each of the Named Executive Officers, the value of options and performance shares vested during Fiscal 2012 and the value of executive performance bonus earned during Fiscal 2012.

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR (\$)	PERFORMANCE SHARE RIGHTS – VALUE VESTED DURING THE YEAR (\$)	NON-EQUITY INCENTIVE PLAN – VALUE EARNED DURING THE YEAR ⁽¹⁾ (\$)
MICHEL LETELLIER	69,090	0	259,800
JEAN PERRON	41,483	0	103,936
JEAN TRUDEL	41,483	0	99,092
FRANÇOIS HÉBERT	34,667	0	82,055
RICHARD BLANCHET	34,667	0	79,775

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as at December 31, 2012, certain information with respect to the Stock Option Plan, being the only compensation plan of the Corporation pursuant to which equity securities of the Corporation are authorized for issuance from the treasury.

PLAN	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FURTHER ISSUANCE UNDER EQUITY COMPENSATION PLANS
<i>Equity compensation plan approved by security holders⁽¹⁾</i>	2,736,684	10.07	1,244,535
<i>Equity compensation plan not approved by security holders</i>	–	–	–
Total	2,736,684	10.07	1,244,535

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

OTHER KEY COMPENSATION POLICIES OF THE CORPORATION

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

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

INDEBTEDNESS OF DIRECTORS AND OFFICERS

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

STATEMENT OF CORPORATE GOVERNANCE

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

AUDIT COMMITTEE INFORMATION

Reference is made to *Section 16 - Audit Committee Disclosure* of the the Annual Information Form of the Corporation for the financial year ended December 31, 2012 for disclosure of information relating to the Audit Committee required under *Regulation 52-110 Respecting Audit Committees* under the *Securities Act* (Québec) as well as to Schedule "D" of this Circular describing the Corporation's corporate governance practices. A copy of the Annual Information Form of the Corporation can be found on SEDAR at www.sedar.com or by contacting the Corporate Secretary of the Corporation, at 1111 St-Charles Street West, East Tower, Suite 1255, Longueuil, Province of Québec, J4K 5G4.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation provides insurance for the benefit of its directors and officers against liability that may be incurred by them in these capacities. For Fiscal 2012, the Corporation paid a total annual premium of \$134,958, which premium was not specifically allocated among the directors as a group and officers as a group. Such insurance was limited to an amount of \$40 million and was subject to a general deductible of \$100,000 per loss, as well as specific exclusions, which are usually contained in policies of this nature.

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

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer or shareholder who beneficially owns or exercises control or direction over, directly or indirectly, more than 10% of the outstanding Common Shares or any director or officer of any such person, has or had, since January 1, 2012, any material interest, direct or indirect, in any transaction or in any proposed transaction, that has materially affected or will materially affect the Corporation, except as follows: on July 26, 2012, the Corporation closed a private placement whereby the Caisse de dépôt et placement du Québec and certain subscribers managed by Goodman & Company Investment Counsel Ltd. acquired 9,632,399 Common Shares and 2,408,100 Common Shares, respectively, at a price of \$10.27 per Common Share, for gross proceeds of \$123.7 million.

SHAREHOLDER PROPOSALS FOR 2014 ANNUAL MEETING

The final date for submitting shareholder proposals for the 2014 Annual Meeting of the Corporation is December 27, 2013, being the date which is 90 days before the anniversary date of the Corporation's notice to shareholders in connection with the Meeting.

ADDITIONAL INFORMATION

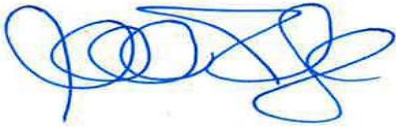
Financial information related to the Corporation is provided in the Corporation's comparative financial statements and Management's Discussion and Analysis thereon for Fiscal 2012. Copies of the Corporation's Annual Information Form for Fiscal 2012, the audited consolidated financial statements of the Corporation for Fiscal 2012, together with a report of the auditor thereon, the Management's Discussion and Analysis of the Corporation's financial condition and results of operations for Fiscal 2012 and this Circular will be available upon request to the Corporate Secretary of the Corporation and on the website of the Corporation at www.innergex.com. These documents are also available on SEDAR at www.sedar.com.

APPROVAL

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

DATED as of the 28th day of March, 2013.

By order of the Board of INNERGEX RENEWABLE ENERGY INC.



Nathalie Théberge
Corporate Secretary

SCHEDULE "A"

RESOLUTION OF SHAREHOLDERS

INNERGEX RENEWABLE ENERGY INC. (the "Corporation")

Addition to the General By-Laws

BE IT RESOLVED, THAT:

1. the amendment to the Corporation's General By-Laws by the addition of new By-law No. 5 – Advance Notice By-law, as approved by the Board of directors of the Corporation on March 14, 2013, subject to receipt of shareholder approval, is hereby approved and ratified without amendment; and
2. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer be necessary or desirable to carry out the foregoing resolution.

SCHEDULE "A.1"

BY-LAW NO. 5

being the

ADVANCE NOTICE BY-LAW OF

Innergex Renewable Energy Inc. (the "Corporation")

NOMINATIONS OF DIRECTORS

1. **Nomination procedures.** Subject only to the *Canada Business Corporations Act* (the "Act") and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the "Board") may be made at any annual meeting of shareholders or at any special meeting of shareholders, if one of the purposes for which the special meeting was called was the election of directors. Such nominations may be made in the following manner:

- a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
- c) by any person (a "Nominating Shareholder"):
 - i) who, at the close of business on the date of the giving of the notice provided for below in this By-law and on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
 - ii) who complies with the notice procedures set forth below in this By-law.

2. **Timely notice.** In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation at the head office of the Corporation.

3. **Manner of timely notice.** To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:

- a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in paragraphs 3(a) and 3(b) in this By-law.

4. **Proper form of timely notice.** To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth:

- a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
 - i) the name, age, business address and residential address of the person;
 - ii) the principal occupation or employment of the person;
 - iii) the class or series and number of shares in the share capital of the Corporation which are, directly or indirectly, controlled or directed, or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - iv) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
- b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act or Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in section 4 in this By-law.

5. **Eligibility for nomination as a director.** No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this By-law; provided, however, that nothing in this By-law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

6. **Terms.** For purposes of this By-law:

- a) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and

- b) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

7. **Delivery of notice.** Notwithstanding any other provision of this By-law, notice given to the Corporate Secretary of the Corporation pursuant to this By-law may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the aforesaid address) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Montreal time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

By-law Number 5, passed this _____, 2013.

Authorized Officer

SCHEDULE "B"

SPECIAL RESOLUTION OF SHAREHOLDERS

INNERGEX RENEWABLE ENERGY INC. (the "Corporation")

Reduction of Stated Capital Account

RESOLVED, AS A SPECIAL RESOLUTION, as follows:

1. The stated capital account maintained in respect of the common shares of the Corporation is reduced to \$500,000, without any payment or distribution to the shareholders of the Corporation.
2. An amount equal to the difference between the current stated capital account maintained in respect of the common shares of the Corporation and \$500,000 is credited to the contributed surplus account of the Corporation.
3. Notwithstanding that this special resolution has been duly passed by the shareholders of the Corporation, the Board of Directors of the Corporation may, in its sole discretion and without further approval of the shareholders of the Corporation, revoke this special resolution at any time until the next annual meeting of shareholders prior to effecting such reduction in stated capital and elect not to act on or carry out this special resolution.
4. Any director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and deliver all documents and do all other things as in the opinion of such director or officer may be necessary or desirable to implement this special resolution and matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and the taking of any such action.

SCHEDULE "C"

CHARTER OF THE HUMAN RESOURCES COMMITTEE

This Charter prescribes the role of the Human Resources Committee (the "Committee") of the Board of Innergex Renewable Energy Inc. (the "**Corporation**"). This Charter is subject to the provisions of the Corporation's Articles and By-Laws and to applicable laws. This Charter is not intended to limit, enlarge or change in any way the responsibilities of the Committee as determined by such Articles and By-Laws and applicable laws.

1. Role

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

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

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

2. Composition

2.1 Number and criteria

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

The Committee consist of at least three members.

2.2 Selection and Chair

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

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

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

2.3 Remuneration

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

2.4 Term Limit

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

3. Meetings

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

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

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

Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon reasonable notice to each of its members, which shall not be less than 48 hours. The notice period may be waived by all members of the Committee. The Chairman of the Board, the President and Chief Executive Officer, the Chief Financial Officer or the Corporate Secretary of the Corporation shall be entitled to request that any member of the Committee call a meeting.

The Committee should determine any desired agenda items.

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

4. Responsibilities

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

The Committee shall, inter alia:

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

5. Advisors

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

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

6. Assessment

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

7. Charter review

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

8. General

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

SCHEDULE “D”

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

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

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

The Corporation’s 2013 Annual Information Form, which may be obtained on request from the Corporate Secretary of the Corporation or on SEDAR at www.sedar.com, also contains information pertaining to corporate governance.

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

GUIDELINES	PRACTICES WITHIN THE CORPORATION
<p>1. Board of Directors</p> <p>(a) Disclose the identity of directors who are independent.</p>	<p>The Board of Directors of the Corporation (the “Board”) has reviewed the independence of each director within the meaning of the CSA Disclosure Instrument in light of the information provided by each of them and has determined, after reviewing the role and relationships of each of the directors, that six of the seven nominees proposed by the management of the Corporation (“Management”) for election to the Board are independent. The following nominees have been affirmatively determined to be independent by the Board:</p> <ul style="list-style-type: none"> • John A. Hanna; • Lise Lachapelle; • Jean La Couture; • Richard Laflamme; • Daniel L. Lafrance; and • William A. Lambert.
<p>(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.</p>	<p>The Board has determined, after reviewing the role and relationships of each of the directors, that Michel Letellier, as President and Chief Executive Officer of the Corporation, is the sole nominee proposed by Management for election to the Board who is not independent</p>
<p>(c) Disclose whether or not a majority of directors are independent.</p>	<p>Six of the seven current directors and six of the seven nominees proposed by Management for election to the Board are independent.</p>
<p>(d) If a director is currently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>Current directorships of all director nominees with other reporting issuers are described in the table set forth under the heading “Election of Directors” of this Circular.</p>
<p>(e) Disclose whether or not the independent directors hold regularly scheduled</p>	<p><u>In camera sessions (Board meetings)</u>: Independent directors have the opportunity to meet regularly to discuss matters of interest without the</p>

GUIDELINES	PRACTICES WITHIN THE CORPORATION
<p>meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.</p>	<p>presence of non-independent directors and members of Management and they hold such meetings after each regular meeting of the Board. Such meetings are chaired by the Chairman of the Board, Jean La Couture, who is independent within the meaning of the CSA Disclosure Instrument. 8 meetings of independent directors at which non-independent directors and members of Management were not in attendance were held in Fiscal 2012.</p> <p><u>In camera sessions (committee meetings):</u> All Board committees, namely the Audit Committee, the Human Resources Committee, the Corporate Governance Committee and the Nominating Committee, are composed exclusively of independent directors. The Audit Committee meets with, or without, the auditor after each meeting, without members of Management being present. The Audit Committee also meets with the Chief Financial Officer and Senior Vice President without other members of Management being present. The other committees meet regularly, without members of Management being present.</p>
<p>(f) Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.</p>	<p>Jean La Couture, as Chairman of the Board, is independent within the meaning of the CSA Disclosure Instrument.</p> <p>The Chairman of the Board is responsible for (i) the management and operation of the Board and (ii) relations between the Board, the shareholders and other interested parties. He must ensure that the Board performs the tasks related to its mandate, in an efficient manner and that directors clearly understand and respect the limits between the Board's responsibilities and that of the management of the Corporation.</p>
<p>(g) Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.</p>	<p>Overall, the combined attendance by the directors at Board meetings in Fiscal 2012 was 99%. A record of attendance by directors at Board meetings during Fiscal 2012 is set out under the heading "Election of Directors – Record of Attendance" of this Circular.</p>
<p>2. Board Mandate – Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.</p>	<p>The Board has adopted a formal mandate for itself which is reproduced under Schedule "E" to this Circular.</p>
<p>3. Position Descriptions</p> <p>(a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.</p>	<p>The Board has developed written charters for all the committees and has developed a written position description for the Chairman of the Board and for each committee's chairperson.</p> <p>The mandate of the Chairman of the Board states that he is responsible for the management and operation of the Board and relations between the Board and shareholders and other interested parties. He must ensure that the Board performs the tasks related to its mandate in an efficient manner, and that directors clearly understand and respect the limits between the Board and Management's responsibilities. The mandate of the Chairman of the Board also states that he shall provide leadership to enhance Board effectiveness.</p>

GUIDELINES	PRACTICES WITHIN THE CORPORATION
	<p>The mandate of each committee's chairperson provides that each committee chairperson's key role is to manage his respective committee and ensure that the committee carries out its mandate effectively. Like the Chairman of the Board, each committee chairperson is expected to provide leadership to enhance committee effectiveness and must oversee the committee's discharge of its responsibilities. Committee chairpersons must report regularly to the Board on the businesses of their respective committees.</p>
<p>(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.</p>	<p>The Board has developed a written position description for the President and Chief Executive Officer.</p> <p>The Board has delegated to the President and Chief Executive Officer and his management team the responsibility for the day-to-day management while respecting the Corporation's strategic plans, operational agenda, corporate policies and financial limits approved from time to time by the Board.</p> <p>The Board expects to be advised on a regular basis as to the results being achieved, and to be presented for approval alternative plans and strategies proposed to be implemented, in keeping with evolving conditions. Furthermore, the Board expects the President and Chief Executive Officer and his management team to review the Corporation's strategies, carry out a comprehensive budgeting process, monitor the Corporation's performance against the budget and identify opportunities and risks affecting the Corporation and find ways to deal with them. Performance of the President and Chief Executive Officer and his management team will be assessed against the achievement of strategic objectives and budget and the financial performance of the Corporation. See "Executive Compensation".</p> <p>In addition to those matters which by law must be approved by the Board, or a committee of the Board to which approval authority has been delegated by the Board, Board approval is required for all matters of policy and all actions proposed to be taken by the Corporation which are not in the ordinary course of business. In particular, the Board approves major capital expenditures, all material transactions and the appointment of all officers.</p>
<p>4. Orientation and Continuing Education</p> <p>(a) Briefly describe what measures the Board takes to orient new directors regarding</p> <ul style="list-style-type: none"> (i) the role of the Board, its committees and its directors; and (ii) the nature and operation of the issuer's business. 	<p>In addition to having extensive discussions with the Chairman of the Board and the President and Chief Executive Officer with respect to the business and operations of the Corporation, new directors are provided with extensive information on the Corporation's business, its strategic and operational business plans, its corporate objectives, its operating performance, its corporate governance system and its financial position. Also, they meet individually with members of senior management. The Board further ensures that director nominees fully understand the role of the Board and its committees and the contribution that individual directors are expected to make.</p>

GUIDELINES	PRACTICES WITHIN THE CORPORATION
<p>(b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>Presentations are made from time to time by Management and outside consultants to the Board to educate and keep Board members informed of changes within the Corporation and of regulatory and industry requirements and standards. Commented visits to the facilities of the Corporation are also organized for the directors by the Corporation, upon request. Moreover, the Corporation subscribes to a global membership for the Board of Directors with the Institute of Corporate Directors.</p>
<p>5. Ethical Business Conduct</p> <p>(a) Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:</p> <ul style="list-style-type: none"> (i) disclose how a person or Corporation may obtain a copy of the code; (ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code. 	<p>The Corporation has adopted a written Code of Conduct which applies to each employee, director and officer of the Corporation, the purpose of which is to provide guidelines to ensure that the Corporation's reputation for integrity and good corporate citizenship is maintained through the adherence to the highest ethical standards and complied with by all of those individuals.</p> <ul style="list-style-type: none"> (i) The Corporation's Code of Conduct is available on SEDAR at www.sedar.com and a copy is remitted to any new employee and is made available to all employees via the intranet and upon request to the Corporate Secretary. (ii) The Board does not monitor compliance with the Code of Conduct but it regularly assesses compliance by its queries to Management at Board meetings. (iii) None.
<p>(b) Describe any steps the Board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>	<p>The Board can and does exercise independent judgement. The Board monitors the disclosure of conflicts of interest by directors and ensures that no director will vote or participate in a discussion on a matter in respect of which such director has a material interest.</p>
<p>(c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>At the request of the Board, the employees of the Corporation received training sessions given by the Corporate Secretary on the Code of Conduct and related policies and all directors, executive officers and active employees have signed the Code of Conduct. The Board promotes a business environment where employees are encouraged to report malfeasance, irregularities and other concerns. The Board has also adopted a whistle-blowing procedure with respect to the submission by employees of concerns regarding, <i>inter alia</i>, questionable accounting or auditing matters and an Executive Incentive Recoupment Policy providing for the recoupment of certain incentive compensation paid to senior executive officers under certain circumstances.</p>

GUIDELINES	PRACTICES WITHIN THE CORPORATION
<p>6. Nomination of Directors</p> <p>(a) Describe the process by which the Board identifies new candidates for Board nomination.</p>	<p>The Board retains the responsibility for the recruiting, orientation and training of the directors. Recruiting will be based on the capabilities and experience of the candidates in relation with the needs of the Corporation and the adequacy of the time commitment of individuals to the Corporation's matters. Each director will have the ability to interview new candidates and final decisions will be made at Board meetings.</p>
<p>(b) Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.</p>	<p>The Nominating Committee of the Corporation has the responsibility of reviewing the composition of the Board, establishing, where appropriate, qualifications for directors and procedures for identifying possible nominees, proposing new nominees for appointment to the Board where applicable and providing orientations to new Board members. All six members of the Nominating Committee, namely Jean La Couture (Chairman), John A. Hanna, Lise Lachapelle, Richard Laflamme, William A. Lambert and Daniel L. Lafrance, are independent.</p>
<p>(c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The charter of the Nominating Committee is available on the Corporation's website at www.innergex.com.</p>
<p>7. Compensation</p> <p>(a) Describe the process by which the Board determines the compensation for the issuer's directors and officers.</p>	<p>The process by which the Board determines the compensation of the Corporation's directors and the information on compensation received by the directors of the Corporation is described under section "Compensation of Directors" of this Circular.</p> <p>The process by which the Board determines the compensation of the Corporation's officers is described under section "Compensation of Named Executive Officers" of this Circular.</p>
<p>(b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.</p>	<p>All members of the Corporate Governance Committee and the Human Resources Committee are independent. In the opinion of the Board, this ensures an objective process for making recommendations to the Board with respect to compensation. Furthermore, the Board, of which six of the seven current and proposed nominees are independent, retains the ultimate responsibility for making decisions relating to compensation, thus ensuring an objective process. The charter of the Human Resources Committee and the charter of the Corporate Governance Committee are available on the Corporation's website at www.innergex.com.</p>
<p>(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>The Human Resources Committee has the responsibility of, <i>inter alia</i>, reviewing the senior management compensation policies and/or practices. The responsibilities, powers and operation of the Human Resources Committee are further disclosed under section "Compensation Governance" of this Circular.</p>

GUIDELINES	PRACTICES WITHIN THE CORPORATION
<p>8. Other Board Committees – If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board has four standing committees, being the Audit Committee, the Corporate Governance Committee, the Human Resources Committee and the Nominating Committee, and has no other permanent standing committee.</p>
<p>9. Assessments – Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.</p>	<p>The Corporate Governance Committee has received the mandate to ensure that a process is in place for the annual review of the contribution and qualification of individual directors, the performance and effectiveness of the Board as a whole and the Board committees. The Corporate Governance Committee reviews and approves a performance evaluation questionnaire that is forwarded annually by such committee's chair to directors. This questionnaire covers a wide range of issues and allows for comments and suggestions and covers both Board, Board committees and individual performance. The Chairman of the Board compiles responses and contacts each director, when deemed necessary, to discuss the Board and Board committee evaluations as well as individual directors' performance, including that of the Board and committee chairs. The Chairman of the Board then reports the results to the Board. This formal evaluation process takes place on an annual basis.</p> <p>The most recent annual evaluation, which was conducted in the second quarter of Fiscal 2012, showed that the Board, its committees, committee chairs and individual directors were effectively fulfilling their responsibilities.</p>

REQUIREMENT UNDER THE CSA AUDIT COMMITTEE RULES	PRACTICES WITHIN THE CORPORATION
<p>The CSA Audit Committee Rules state that the audit committee must be composed of a minimum of three members, who must be "independent" directors (as defined in those rules).</p>	<p>The Audit Committee is composed of three members, namely John A. Hanna (Chairman), Jean La Couture and Daniel L. Lafrance. The Board has determined that all members of the Audit Committee are independent within the meaning of the CSA Audit Committee Rules.</p>
<p>The CSA Audit Committee Rules state that each audit committee member must be financially literate.</p>	<p>The Board has determined that all members of the Audit Committee are financially literate within the meaning of the CSA Audit Committee Rules.</p>
<p>The CSA Audit Committee Rules state that the audit committee must have a written charter that sets out its mandate and responsibilities.</p>	<p>The mandate of the Audit Committee, attached as Schedule B to the Annual Information Form of the Corporation and available on SEDAR at www.sedar.com, describes explicitly the role and oversight responsibilities of the Audit Committee.</p>
<p>The CSA Audit Committee Rules state that the audit committee must recommend to the Board: (a) the external auditor to be nominated for the purposes of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer; and (b) the compensation of the external auditor.</p>	<p>The mandate of the Audit Committee provides that the Audit Committee is responsible for recommending the appointment of external auditor, its compensation, as well as reviewing and monitoring its qualification, performance and independence.</p>

REQUIREMENT UNDER THE CSA AUDIT COMMITTEE RULES	PRACTICES WITHIN THE CORPORATION
<p>The CSA Audit Committee Rules state that the audit committee must be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditor regarding financial reporting.</p>	<p>The mandate of the Audit Committee provides that the committee is responsible for reviewing the relationships between the external auditor and the Corporation, including considering the auditor's judgments about the quality, transparency and appropriateness and not just the acceptability of the Corporation's accounting principles and resolving any issues between the external auditor and Management.</p>
<p>The CSA Audit Committee Rules state that the audit committee must pre-approve all non-audit services to be provided to the issuer or its subsidiary entities by the issuer's external auditor.</p>	<p>The mandate of the Audit Committee states that the committee's responsibilities include pre-approving all non-audit services to be provided to the Corporation and its subsidiaries. The Audit Committee has approved a written policy on pre-approval of non-audited services.</p>
<p>The CSA Audit Committee Rules state that the audit committee must review the issuer's financial statements, MD&A and annual and interim earnings press releases before the issuer publicly discloses this information. These rules also mention that the audit committee must be satisfied that adequate procedures are in place for the review of the issuer's public disclosure of financial information extracted or derived from the issuer's financial statements, other than the public disclosure referred to in the preceding sentence, and must periodically assess the adequacy of those procedures.</p>	<p>The mandate of the Audit Committee provides that the committee is responsible for reviewing and recommending the approval of the annual and interim financial statements of the Corporation, including the Corporation's MD&A disclosure, prior to their release, filing and distribution. The Audit Committee charter provides it must ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information (other than the public disclosure referred to in the preceding sentence) extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures.</p>
<p>The CSA Audit Committee Rules state that the audit committee must establish procedures for: (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.</p>	<p>The charter of the Audit Committee provides that the committee must establish procedures for the receipt, retention and treatment of complaints or concerns received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.</p> <p>The Board has approved a whistle-blowing procedure developed by the Audit Committee with respect to the anonymous submission by employees of concerns regarding, <i>inter alia</i>, questionable accounting or auditing matters.</p>
<p>The CSA Audit Committee Rules state that the audit committee must review and approve the issuer's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.</p>	<p>The charter of the Audit Committee provides that the committee is responsible for reviewing hiring policies for employees or former employees of the Corporation's firm of external auditor.</p>

REQUIREMENT UNDER THE CSA AUDIT COMMITTEE RULES	PRACTICES WITHIN THE CORPORATION
<p>The CSA Audit Committee Rules state that the audit committee must have the authority: (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties; (b) to set and pay the compensation for any advisors employed by the audit committee; and (c) to communicate directly with the internal and external auditor.</p>	<p>The Audit Committee's charter provides that the Audit Committee has the authority to authorize or conduct investigations into any matters that fall within its scope of responsibilities. Furthermore, the Audit Committee charter provides that the Audit Committee can engage outside advisors and communicate directly with internal and external auditor.</p>

SCHEDULE "E"

CHARTER OF THE BOARD OF DIRECTORS

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

1. Role

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

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

2. Constitution

2.1. Number

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

2.2. Independence

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

2.3. Criteria for Board membership

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

2.4. Fiduciary duty and duty of care

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

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

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

2.5. Selection

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

2.6. Chair

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

2.7. Remuneration

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

2.8. Retirement Time and Term Limit

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

3. Responsibilities

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

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

3.1. With respect to strategic planning

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

3.2. With respect to human resources and performance assessment

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

- Review annually the charters of the Board and Committees and the duties of their respective Chair.

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

3.3. With respect to financial matters and internal control

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

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

3.4. With respect to corporate governance matters

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

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

3.5. Other matters

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

4. Meetings

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

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

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

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

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

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

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

5. Board Committees

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

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

6. Conflict of interest

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

In such circumstances, a director shall not:

- (i) receive material provided to the Board or Committee members;
- (ii) be present during meetings of the Board or Committees while the matter in question is discussed;
- (iii) vote on any resolution intended to approve such a contract or transaction; or

- (iv) receive copy of the minutes except to examine the portion of the minutes that contain disclosure relating to such director's disclosure of conflict;

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

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

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

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

7. Advisors

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

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

8. Board Interaction with Third Parties

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

9. Communication with the Board

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

10. Review of the Charter

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

11. Assessment

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

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