



## CHARTER OF THE AUDIT COMMITTEE

### 1. Purpose

The purpose of this Charter is to set out the role of the audit committee (the "**Committee**") of the Board of Directors (the "**Board**") of Boralex Inc. ("**Boralex**") as well as the duties and responsibilities assigned to the Committee by the Board. The main function of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the following:

- Accuracy and completeness of the financial statements of Boralex;
- Process of presenting and disclosing financial information;
- Internal control systems and financial controls;
- Appointment, qualifications, performance and independence of Boralex external auditors;
- Compliance with legal and regulatory requirements;
- Any other responsibility the Board may delegate to the Committee from time to time.

### 2. Division of responsibilities

By fulfilling the Committee's duties as described in this Charter, Committee members recognize that the role of the Committee is to monitor financial information processes on behalf of the Board and to report regularly to the Board on its activities. Boralex management (the "**Management**") is responsible for the preparation, presentation and integrity of the financial statements of Boralex and for ensuring that internal financial information controls are effective.

Management must maintain adequate accounting and financial principles and policies and ensure that internal controls and procedures comply with applicable accounting standards, laws and regulations. The external auditors are responsible for planning and conducting the audit of the annual financial statements of Boralex and for verifying the effectiveness of internal financial controls and other verification procedures every year.

In fulfilling their duties, Committee members will engage in constructive and open discussions with the Board, external auditors and Management.

### 3. Composition and organization

The Committee is composed of a minimum of three directors appointed by the Board at the first Board meeting following the annual meeting of shareholders. Each Committee member must be an unrelated or independent director.

All Committee members must be qualified to address financial matters and at least one member of the Committee must have expertise in accounting or related financial management, in the opinion of the Board.

The Committee chooses one of the Committee's members as the Committee chair and the Corporate Secretary, or the person designated by the Corporate Secretary, is the secretary of all the Committee's meetings and takes minutes.

#### **4. Meetings and resources**

The Committee will meet at least four times a year or more often if required. As part of its mandate to promote open relations and for the purposes of discussion, the Committee will also meet the Management and external auditors in separate, close meetings, as required.

The Committee will establish its own rules and procedures (subject to specific directives from the Board) and shall meet at the place and time stipulated in its rules. Quorum is a majority of Committee members.

The Committee chair will report on the activities of the Committee quarterly and as required to the Board, and will submit recommendations on any matter the Committee deems necessary or appropriate.

The Committee is entitled, in the execution of its duties and to fulfil its responsibilities, to verify books and accounts of Boralex and of its subsidiaries as well as Boralex Power Income Fund's.

#### **5. Duties and responsibilities**

In addition to the above responsibilities, the Committee's duties are as follows:

##### **(a) Presentation of financial information**

- examine the quality and integrity of the accounting process, as well as the presentation and disclosure of Boralex financial information, through discussions with the Management and external auditors;
- examine, with the Management and external auditors, Boralex annual audited statements and all information in the management report, related press release and the external auditors' report on the audited annual financial statements before they are publicly released and filed with securities regulators;
- examine the unaudited interim financial statements, including the management report for each interim period and the related press releases before they are publicly released and filed with securities regulators;
- examine the financial information in any prospectus, offering documents, annual information form or other public document that contains audited or unaudited financial information submitted for Board approval;
- examine with the external auditors and the Management, the quality, relevance and disclosure of Boralex accounting principles, conventions and underlying assumptions, as well as practices with respect to the presentation of information and proposals to modify such information;
- review the analyses and other written communications prepared by the management or external auditors on important issues with respect to the presentation of financial information and decisions made in the preparation of the financial statements of different methods that comply with generally accepted accounting principles;
- verify that the Management's declarations about the financial reports comply with applicable legislation;

- review major legal proceedings and regulatory or accounting initiatives that could have a significant influence on Boralex financial situation or operation results and verify the relevance of their disclosure in the documents reviewed by the Committee;
- review the results of the external audit, any significant problems that drew the auditors' attention during the audit and the Management's response or action plan with respect to any recommendation letter from the external auditors.

**(b) Risk management and internal controls**

- Receive regular reports from the Management assessing the adequacy and effectiveness of the controls and procedures for disclosing information and of Boralex internal control systems;
- Review Boralex insurance coverage each year and as necessary;
- Evaluate the effectiveness of all internal control systems and the identification and management of principal risks for Boralex, hedging transactions, financing, investments and credit;
- Review major capital expenditures and major spending between related parties or any other transactions that could change the financial or organizational structure of Boralex, including off-balance sheet items;
- Assist the Board in ensuring that the Board satisfies applicable legal and regulatory requirements;
- While maintaining the confidential and anonymous nature of communications, establish clear and precise procedures for the reception, conservation and processing of complaints made to Boralex regarding irregularities or fraud in accounting, internal accounting control or auditing matters, including concerns transmitted by the employees regarding accounting or auditing matters.

**(c) External auditors**

- Recommend the appointment of external auditors and, if applicable, their removal to the Board, evaluate and compensate the external auditors and examine their qualifications, performance and independence;
- Ensure that the external auditors as representatives of shareholders report to the Committee and the Board;
- Approve all auditing services provided by the external auditors and approve in advance services that are not related to auditing, in accordance with applicable laws and regulations;
- Discuss with the external auditors the quality, not just the acceptability, of Boralex accounting principles, including (i) all accounting conventions and practices used, (ii) other treatments of financial information that have been discussed with the Management, the implications of their use and (iii) any other important written communication between Boralex and the external auditors, including any disagreements or unresolved issue between the Management and the external auditors that could have an impact on the financial statements and the existing measures and procedures to remedy it;

- Review, at least once a year, a report from the external auditors describing their relations with Boralex and confirming their independence and discuss with them any relation or service that could have an impact on the quality of their auditing services or their objectivity and independence;
- Review and approve Boralex policies with respect to the hiring of employees or former employees of the external auditors;
- Responsible for the oversight of the work of the external auditor engaged for the purpose of preparing or issuing an auditor report or performing other audit review or attest services for Boralex.

#### **6. Evaluation of the Committee's performance**

The Committee will prepare an annual evaluation of its performance and members and review it with the Board. It will also review the wording of its charter once a year in order to ensure that it is still adequate and shall make recommendations as required to the Board.