



MANDATE OF THE BOARD

1. Introduction

This document describes the procedures and systems established by the Board of Boralex Inc. ("**Boralex**" or the "**Corporation**") in accordance with (i) the laws governing the Corporation, (ii) the policies of the securities authorities, and (iii) the requirements of the stock exchange on which the securities of Boralex are listed, for purposes of facilitating the operation of the Board and its committees and creating consistent expectations as to how the Board should carry out its mandate.

2. Board Mandate

2.1. General Mandate

The Board is responsible for supervising, monitoring and evaluating the management of the Corporation's operations in the best interests of Boralex and its shareholders. It discharges its responsibilities in accordance with the powers conferred on it by the Articles and By-Laws of the Corporation, the obligations devolved on it under applicable laws, and the policies of the Corporation.

2.2. Corporate Governance

In addition to its responsibilities provided by law, the Board is responsible for developing methods and systems which will insure that Boralex complies with its corporate governance obligations as set out in the policies of the securities authorities. Such responsibilities include:

- (a) creating a culture that is based on integrity;
- (b) adopting a procedure for the establishment and evaluation of a strategic plan, taking into account, among other things, the opportunities and risks of the Corporation;
- (c) identifying the principal risks inherent to Boralex and developing appropriate risk management procedures;
- (d) succession planning, including the appointment and appraisal of the Executive Officers;
- (e) adopting a communication policy for Boralex;
- (f) ensuring the integrity of the internal accounting controls and management information systems of Boralex;
- (g) developing a corporate governance vision, including corporate governance principles and guidelines applicable to Boralex;
- (h) conducting the affairs of the Corporation in accordance with the law; and
- (i) ensuring the integrity of the financial statements of the Corporation.

2.3. Executive Officers

The Board is responsible for the appointment of the Executive Officers. For the purposes of this document, "Executive Officers" refers to the following positions:

- The Chairman of the Board;
- The President and Chief Executive Officer;
- The Vice-President and Chief Financial Officer;
- Any Vice-President;
- The Corporate Secretary; and
- The Presidents of the principal subsidiaries.

The Board appraised the performance of the Executive Officers to ensure that the objectives of the strategic plan are carried out.

3. Operation and responsibilities of the Board

3.1. Operation

The Board discharges its responsibilities either directly or through its committees. It retains full authority for responsibilities that are not specifically delegated to its committees or to management.

3.2. *In Camera* Meetings

The independent directors meet *in camera* after each meeting of the Board.

3.3. Expectations and Responsibilities of Directors

Every director must, in discharging his duties, i) act honestly and in good faith with a view to the best interests of the Corporation and ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. These responsibilities include attending meetings of the Board and of its committees and reading any documents received prior to such meetings.

3.4. Major Decisions

The Board is responsible for approving major decisions affecting Boralex and its subsidiaries and joint ventures, including, in particular:

- (a) adoption of the strategic plan;
- (b) approval of the annual budgets;
- (c) approval of the annual and quarterly financial statements and related reports, including all other continuous disclosure documents required under the various securities laws and regulations;
- (d) any acquisition or sale of assets or businesses for a price exceeding 5% of the book value of the shareholders' equity;
- (e) appointment and appraisal of Executive Officers and determining their compensation and their terms of employment;

- (f) any form of indebtedness exceeding 5% of the book value of the shareholders' equity;
- (g) any unbudgeted capital acquisitions exceeding \$5 million; and
- (h) any transaction with a related person.

3.5. Responsibilities of Executives Officers

The Executive Officers of Boralex are responsible for (i) developing the Corporation's strategic plan and business plan, which must be submitted to the Board for its approval, (ii) implementing the strategic plan and business plan once they have been approved by the Board, and (iii) all decisions relating to the day-to-day management of the affairs of Boralex and its subsidiaries.

3.6. Appraisal of Directors

With the assistance of the Corporate Governance Committee, the Board assesses on a regular basis the efficiency of the Board and its committees, including the individual contributions of the directors.

3.7. Compensation

The Corporate Governance Committee reviews on a regular basis the compensation paid to directors of the Corporation and makes recommendations to the Board thereon. The Nominating and Compensation Committee reviews on a regular basis the compensation paid to the Executive Officers of the Corporation and makes recommendations to the Board thereon.

3.8. External Consultants

Subject to approval by the Corporate Governance Committee, the directors may retain consultants at the Corporation's expense, when warranted by the circumstances, to assist them in carrying out their duties.

4. **Composition of the Board**

4.1. Selection of Members

The Nominating and Compensation Committee ensures that the Board has a desirable number of members. Upon recruiting directors, the Nominating and Compensation Committee, directly or through a sub-committee, initiates the process by obtaining input and suggestions from directors. It reviews the proposed nominees and makes recommendations to the Board thereon.

4.2. Nominating Process

The Board approves the final selection of nominees for election by the shareholders.

4.3. Independent Directors

A majority of directors must be independent, in the reasonable opinion of the Board, within the meaning of the laws, standards and listing requirements of the stock exchange on which the securities of the Corporation are listed.

4.4. Chairman of the Board

The Board appoints its Chairman and Vice-Chairman, if any, from among the directors of the Corporation.

4.5. Term of Office of Directors

The directors are elected by the shareholders at each annual meeting. The term of office of each director expires at the close of the annual meeting of shareholders following the meeting at which the director was elected or upon his successor being elected.

5. Board Committees

5.1. Number and Mandate of Committee

The Board is responsible for establishing Board committees, appointing members to serve on the committees and determining their compensation. The Board has established five committees to assist it in carrying out its mandate, to which it has delegated some of its duties and responsibilities:

- The Corporate Governance Committee;
- The Audit Committee;
- The Nominating and Compensation Committee;
- The Environment, Health and Safety Committee; and
- The Administrative Committee.

Every committee must have a written charter which has been approved by the Board and sets forth its respective powers. Other committees may be formed from time to time by a resolution of the Board.

5.2. Composition of Committees

In general, the Board committees are composed of three independent directors. Notwithstanding the foregoing, if it deems it appropriate, the Board may appoint directors to Board committees, save for the Audit Committee, who are not independent.

5.3. Structure of Committees

Each committee appoints one of its members to act as chairman of the committee. The chairman may appoint a secretary to take the minutes of the meetings. The secretary is not required to be a committee member, and may be replaced upon simple notice from the chairman.

5.4. Reports of Committees to the Board

Each of the committees generally submits a report to the Board after each of its meetings. The chairman of each committee provides to the Board on regular and timely basis complete and relevant information.

5.5. External Consultants

Every committee may, at the Corporation's expense, retain the services of a professional to conduct searches, advise it on issues it deems important or assist it in carrying out its duties.