



FRONT AND CENTRE

2015 HIGHLIGHTS

Caution regarding forward-looking statements

This 2015 Highlights report contains forward-looking information and statements (collectively, “**forward-looking statements**”) within the meaning of the applicable securities laws. By their very nature, forward-looking statements are based on assumptions and suggest the possibility of future results. We therefore remind readers that all companies, including Valener Inc. (“**Valener**”) and Gaz Métro Limited Partnership (“**Gaz Métro**”) are exposed to risks and uncertainties. Accordingly, we caution readers not to place undue reliance on these forward-looking statements. Please see the main risk factors with a potential influence on Valener’s and Gaz Métro’s future results, under the heading “Cautionary Note Regarding Forward-Looking Statements” and the sections dealing with risk factors in the public documents filed by Valener, including the annual MD&A for Valener’s fiscal year ended September 30, 2015, as updated in subsequent interim MD&A. These documents may be consulted on this website and on the SEDAR website (www.sedar.com). These forward-looking statements are up to date as at September 30, 2015, and Valener undertakes no obligation to update or change them.

MESSAGES FROM OUR CHAIRMAN AND OUR PRESIDENT AND CEO

Front and centre
Higher dividend

Pierre Monahan
Chairman of the Board of Directors
Valener

Since its creation, Valener has said what it plans to do and done what it says. We don't try to "wow" people. We aim for relevance, constant and patient progress, and sustainable solutions. Thanks to this well-considered, strategic approach, we can confirm a 4% annual increase in our shareholders' dividend for 2015 and a growth target of approximately 4% for the next three years.

Valener–Gaz Métro alliance

Valener is the public investment vehicle of Gaz Métro, a Quebec energy and sustainable development flagship. Our investment in Gaz Métro remains our main development driver, and the prospects for growth are bright, as shown in the "Highlights" section of this report. In short, natural gas is a popular form of energy, and Gaz Métro is a respected company with inspired growth initiatives.

Valener is thus built on solid foundations. Despite the sharp drop in oil prices, natural gas remains the least expensive form of energy in most market segments. Gaz Métro's business model protects the company from price fluctuations: profits are not generated by the sale of natural gas, which is sold at cost, but by gas distribution. This operating structure contributes to Gaz Métro's financial stability.

Gaz Métro targets "smart" growth in both its traditional activities and new and renewable forms of energy. Like Valener, Gaz Métro is reaping the rewards of its investment in the Seigneurie de Beaupré wind farms, which is an operational and financial success. At the same time, Gaz Métro's operations in Vermont continue to generate the anticipated annual growth, while the depreciation of the Canadian dollar versus the U.S. currency means a substantial rise in the company's profits from operations south of the border.

Key value creation

Valener inspires market confidence. Our shares are among a handful of energy-sector securities that rose in value during this year of adversity. Excluding non-recurring items, Valener posted \$45.3 million in adjusted net income attributable to common shares in 2015, up \$8.6 million from the previous fiscal year.

Increasingly solid financial position

Despite the increase in its distributions, Valener continues to enjoy a high level of cash flows, and its overall financial position is moving in the right direction. During the fiscal year, Valener positioned itself for future investments by renewing a \$200 million credit facility for five years, after having increased its net investment in Gaz Métro by acquiring \$74 million in new units.

As for revenues, 2015 was a good year. Our direct interest in the Seigneurie de Beaupré wind farms turned out to be a particularly profitable investment over the past 12 months. In 2015, revenues from sales of wind power to Hydro-Québec were 25% above forecast, thanks essentially to favourable winds. The quality of this investment is one of the factors that allows us to increase our common dividend.

Ready for Next?

Valener is truly proud of its association with Gaz Métro. We want to reiterate our full confidence in the company's President and CEO, Sophie Brochu, her management team and all of the employees who have shown their commitment to the future by launching an inspiring public discussion under the theme "*Ready for Next?*".

Valener endorses this invitation to build a better future in partnership with Gaz Métro, create value for shareholders and contribute positively to social progress.

This vision is driven by Valener's shareholders. We thank them for their trust.

Pierre Monahan

Chairman of the Board of Directors

Front and centre

We focus on energy in the long term

Sophie Brochu
President and Chief Executive Officer
Gaz Métro

We live in a fast-changing world, where transformations are swift and innovations follow one another in rapid succession. In this complex ecosystem, companies have to be twice as careful to avoid focusing exclusively on their next-quarter results. Gaz Métro is well aware of this. We believe in a vision of strategic development set in the long term. We want our efforts as an energy solutions supplier to be meaningful and to contribute to progress. We want to achieve our goal of supporting our customers' success. We want our initiatives to be socially acceptable, and we want to play a part in the fight against climate change.

The validity of this long-term development vision was confirmed in a number of ways in 2015, as longstanding, carefully prepared projects reached their deployment phase.

As a natural gas distributor, we are pleased by the progress we have made in expanding our network in the Bellechasse area. Supported by community stakeholders, this 71-kilometre extension has been on the drawing board for over 10 years. The project has now reached the stage of final approval by the Régie de l'énergie. It will allow us to extend the environmental and economic advantages of natural gas to about a hundred clients — businesses, schools and municipal buildings — between Lévis and Sainte-Claire. The arrival of natural gas in this corridor will reduce greenhouse gas emissions by at least 8,600 tonnes per year and generate some \$2.5 million in savings for public institutions and businesses, helping them consolidate their competitive position and capacity for sustainable development.

In 2015, Gaz Métro saw one of its largest investment projects in recent years take shape, with the launch of a huge worksite. In partnership with Investissement Québec, we devoted approximately \$118 million to triple the capacity of our liquefaction plant in the east end of Montreal. The plant expansion will enable a growing number of consumers to enjoy the economic and environmental advantages of liquefied natural gas. LNG is a promising solution for replacing fuel oil and diesel in the road and maritime transportation sectors, and for supplying communities and industrial sites located far from our network.

Under the heading of renewable energy, the Régie de l'énergie rendered an important decision in 2015, allowing the connection of our network to the City of Saint-Hyacinthe's new biomethane production plant. As a pioneer in this area in Quebec, Gaz Métro contributed to this concrete example of sustainable development, which consists in converting agricultural and household waste into useful energy. This "home-grown," renewable natural gas will be distributed via our network, for the benefit not only of our customers, but of society as a whole. The success of this ground-breaking initiative encourages us to repeat the approach with other innovative municipalities as soon as possible.

Our contribution to the rise of renewable energy is longstanding and ongoing, as shown by our participation in the Seigneurie de Beauré wind farms. Gaz Métro and Valener are partners in this project, along with Boralex. Since their start-up in 2013, our wind-power assets have performed beyond our expectations as a shareholder and those of our customer, Hydro-Québec, with which we have signed a 20-year agreement.

In Vermont, Gaz Métro continues to support the growth of its subsidiaries Vermont Gas Systems and Green Mountain Power, which distribute all of the state's natural gas and 70% of its electricity, most of which comes from renewable sources, such as hydroelectricity, wind power, solar energy, and cow power.

We also hope to supply more business and residential clients in Vermont with natural gas. In 2014, Vermont Gas Systems (VGS) began construction of its network development project to serve the communities of Vergennes and Middlebury. The project will ultimately double the size of VGS's current assets.

Gaz Métro is an active and engaged corporate citizen. In 2015, it participated in public consultations on Quebec's new energy policy and the setting of our collective greenhouse gas reduction target for 2030. We believe that if energy companies are part of the problem, they are also part of the solution.

On the Canadian stage, Gaz Métro didn't hesitate to join forces with its Ontario partners in order to protect Quebec consumers' economic and environmental interests. Our efforts were successful: we obtained the assurance that central Canada's natural gas supplies will be protected if the Energy East oil pipeline project goes ahead.

These are good examples of our vision of the future, according to which our company's growth will be aligned with economic, social and environmental progress.

Gaz Métro is paving the way to a brighter tomorrow. In December 2015, our company took part in the United Nations Climate Change Conference in Paris, alongside businesses, environmental groups and government representatives. In the same spirit, in keeping with our commitment to be part of the solution, we voiced our conviction throughout the year that Canada needs to adopt a national energy vision, while respecting provincial jurisdictions.

"Ready for Next?" has become the leitmotiv of a public discussion launched by Gaz Métro employees, who invited all civil society stakeholders to express their views on the themes of energy, the future and responsibility.

This vision of our role as a diversified and modern energy company has spawned ongoing improvements in our financial performance, which we see as a just reward for work well done, not the fleeting effect of short-sighted decisions.

We are proud that deployment of our strategy has contributed to higher dividends for our shareholders. Thanks to our shareholders' support, Gaz Métro has become a modern energy company and a flagship of the Quebec economy.

Thank you.

Sophie Brochu
President and Chief Executive Officer, Gaz Métro

FINANCIAL PERFORMANCE

Front and centre

We deliver results

VNR + 5.92%

S&P TSX - 11.05%

(Comparative performance from October 1, 2014, to September 30, 2015)

Valener

- Rise in dividend.
- High return.
- Annualized dividends rose by 4% during fiscal 2015, to \$1.04 per common share.
- Proportional representation on the Gaz Métro Inc. Board of Directors.
- Dividend Reinvestment Plan with a current discount of 2% on new shares issued.
- Increase of approximately 4% in dividends paid to common shareholders for each of the fiscal years 2016, 2017 and 2018.

Gaz Métro

- Recurring distributions
- Valener receives 29% of Gaz Métro's solid and stable distributions.
- Since 1993, 98.3% of Gaz Métro's net income has been distributed.
- Increase in the quarterly distribution from \$0.28 to \$0.29 per unit, as of the next distribution on January 5, 2016.

Gaz Métro

Net income attributable to Partners (excluding non-recurring items)

2014: \$174.7 million

2015: \$192.4 million

+ 10.1%

Valener

Adjusted net income attributable to common shareholders

2014: \$36.7 million

2015: \$45.3 million

+ 23.4%

Normalized operating cash flows

2014: \$38.8 million

2015: \$58.6 million

+ 51.0%

A favourable context

- Using natural gas to replace fuel oil and diesel enables an immediate reduction in greenhouse gas emissions of up to 32% and 25%, respectively.
- The advantageous exchange rate for energy distribution activities in Vermont and favourable wind conditions at the Quebec wind farms had a positive impact on revenues and net income.
- Gaz Métro-QDA: Renewal of the 8.90% authorized rate of return on deemed common equity for fiscals 2016 and 2017.
- Gaz Métro and the Government of Quebec are investing \$118 million to triple the volume of LNG produced at the LSR plant.

Strong growth in results

- Gaz Métro: \$17.7 million increase in consolidated net income attributable to Partners, excluding non-recurring items.
- Gaz Métro-QDA: 9.09% realized rate of return on deemed common equity attributable to overearnings realized by the distribution service.
- Vermont: Synergies generated by the merger of Green Mountain Power (GMP) and Central Vermont Public Service (CVPS) exceeded expectations for 2015 and 2014.
- Valener: 23.4% increase in adjusted net income and 51.0% increase in normalized operating cash flows.
- Valener: 4% increase in the annualized dividend in 2015, and annual growth target of approximately 4% in 2016 and 2017.

Valener

Initial distributions:

Wind Farms 2 and 3:

\$4.7 million (February 2015)

\$5.2 million (August 2015)

Wind Farm 4:

\$4.3 million (September 2015)

Valener

\$4.2 million increase in the share in the net income of Beaupré Éole as a result of the strong performance of Wind Farms 2 and 3 and favourable wind conditions

2015 OPERATIONAL HIGHLIGHTS

About Gaz Métro

With more than \$6 billion in assets, Gaz Métro is a leading energy provider. It is the largest natural gas distribution company in Quebec, where its network of over 10,000 kilometres of underground pipelines serves more than 300 municipalities and more than 195,000 customers.

Gaz Métro is also present in Vermont, producing electricity and distributing electricity and natural gas to meet the needs of more than 305,000 customers.

Gaz Métro is actively involved in the development and operation of promising, innovative energy projects focusing on areas such as natural gas as fuel and liquefied natural gas as a replacement for higher emission-producing forms of energy, wind power production and the development of biomethane.

Quebec

Natural gas distribution network in Quebec

- 10,000 kilometres of underground pipes
- More than 300 municipalities served
- 195,000 customers (industrial, commercial, institutional and residential)

Seigneurie de Beaupré wind farms

- 154 wind turbines
- 340 megawatts of installed capacity
- Electricity for 65,000 homes

Saint-Hyacinthe biomethane plant

- Stakeholders supporting the city of Saint-Hyacinthe
- Annual production of 13 million cubic metres of biomethane, a local energy produced from organic matter, fully interchangeable with natural gas
- 25,000-tonne reduction in greenhouse gas emissions per year
- Natural gas-powered fleet of municipal vehicles

Liquefaction, storage and regasification (LSR) plant

- Quebec's only liquefied natural gas (LNG) plant
- Work under way to triple liquefaction capacity to 9 Bcf
- Starting in the fall of 2016, LNG deliveries to customers in a radius of over 1,000 kilometres

Vermont

Natural gas distribution network

- 100% of Vermont's natural gas customers
- 50,000 customers (commercial, institutional and residential)

Electricity distribution network

- 70% of Vermont's electricity distribution
- 260,000 customers (commercial and residential)
- Renewable energy production (hydroelectricity, solar energy, wind power and cow power)

Solar energy

- 7.87 megawatts of installed capacity

Cow power

- Production of 1.6 million kilowatt-hours of electricity
- Partnership with ≈ a dozen farms

Wind power

- 2 wind farms
- 69 megawatts of installed capacity

Front and centre

Our dynamic sources of energy

Tripling the capacity of our LSR plant to meet growing demand

To tap into the market potential for liquefied natural gas (LNG), Gaz Métro announced, in partnership with Investissement Québec, its plan to boost liquefaction capacity at its liquefaction, storage and regasification (LSR) plant, in September 2014. The project will triple the plant's production capacity to 9 Bcf. The work got under way in June 2015 and should be completed in the fall of 2016.

LNG continues to gain ground

Two years ago, people were saying that the LNG revolution was a bit like the cellphone revolution. In 2015, this still holds true, as liquefied natural gas is growing steadily in popularity.

LNG means that natural gas is now accessible in regions that, due to their remoteness from the gas distribution network, normally rely on petroleum products. LNG thus has a positive impact on regional prosperity. It allows companies to stay competitive and can be a decisive factor for attracting new players. It is also the most economical and environmentally friendly fuel for freight transport by truck and ship.

A. Société des traversiers du Québec launches its first LNG ferry

Convinced of the environmental and economic advantages of LNG, the Société des traversiers du Québec (STQ) ordered its first three LNG-powered ferries. In July 2015, the *F.-A.-Gauthier*, North America's very first LNG ferry, was officially put into service. It currently replaces the *Camille-Marcoux* between Matane and Baie-Comeau and will eventually serve the Baie-Comeau/Godbout crossing.

STQ's choice of LNG to power its three new ferries is a milestone for Quebec's maritime transportation sector and paves the way for other ship-owners. The other two ferries will link Tadoussac with Baie-Sainte-Catherine. They are scheduled to come into service in 2016.

B. Way of the future for the maritime industry

LNG is a cost-effective and environmentally friendly solution that, among other things, allows ship-owners to meet increasingly stringent standards for pollutant emissions on North American waterways. Since January 1, 2015, the sulphur standard for marine fuels used on the Great Lakes and St. Lawrence River (the North American Emission Control Area) has been reduced from 1% to 0.1%.¹

The use of LNG enables greenhouse gas emission reductions of up to 25% compared with marine diesel, and almost totally eliminates emissions of fine particles and other air pollutants. LNG engines are also quieter and produce fewer vibrations, resulting in greater respect for marine life.

C. Meeting peak needs at the TransCanada Energy power plant

In the spring of 2015, Gaz Métro announced the signing of an agreement with Hydro-Québec Distribution to supply the TransCanada Energy (TCE) power plant in Bécancour with LNG. Gaz Métro is still negotiating the overall scope of the project, which will enable the TCE plant to meet Hydro-Québec's peak power needs. The project has been approved by the Régie de l'énergie but is still conditional on the issuing of an authorization certificate by the Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques (MDDELCC).

D. Meeting northeastern U.S. energy needs

Even though the United States is one of the world's largest natural gas producers, several northeastern states are grappling with natural gas supply issues.

With its LNG distribution-by-truck solutions, Gaz Métro meets peak and storage needs in New England (Maine, Vermont, Massachusetts, Connecticut and Rhode Island).

Natural gas for vehicles: A proven solution

Less expensive and more environmentally friendly than diesel, natural gas has a major potential in the transportation sector.

Natural gas for vehicles (NGV) is a particularly promising option for fleets of waste-collection trucks. It has proven to be an efficient solution for waste-collection companies like Sani-Estrie, EBI, BFI, Gaudreau Environnement and ABC Environnement, multifunction vehicles such as those of the City of Saint-Hyacinthe and Gaz Métro, and heavy-transport vehicle fleets such as the ones operated by Groupe Robert and Canadian American Transportation (C.A.T.).

¹ In compliance with a decision by the International Maritime Organization, sulphur oxide emissions from ships in emission control areas must be reduced effective January 1, 2015.

Biomethane: An attractive solution in more ways than one

In Quebec, landfill operations account for about 5.5%² of total greenhouse gas (GHG) emissions. Quebec municipalities have to make important decisions in order to comply with the Quebec Policy on Residual Materials,³ which will prohibit the disposal of residual organic matter starting in 2022.

Using organic matter to produce biomethane, a renewable natural gas, avoids major GHG emissions to the atmosphere and, at the same time, ensures optimum management of this matter. By replacing petroleum products with biomethane, we can reduce the related GHG emissions by more than 99.4% and reduce fine particles by close to 99%.

Biomethane projects are thus aimed at using residual materials to meet Quebec's energy needs. Gaz Métro wants to supply its customers with renewable, locally produced natural gas.

Saint-Hyacinthe biomethane plant

Following a decision rendered by the Régie de l'énergie, Gaz Métro can now inject biomethane into its network. The decision authorizes Gaz Métro to buy biomethane produced by the city of Saint-Hyacinthe and proceed with a connection project aimed at integrating the biomethane into its network. When the connection project is complete, up to 13 million cubic metres of biomethane per year produced by Saint-Hyacinthe will be injected into the Gaz Métro network, providing all Quebec natural gas consumers with access to a locally produced, clean and renewable form of energy.

Under the agreement in force, injection of biomethane into Gaz Métro's distribution network is scheduled to begin in 2017 and will continue for 20 years. Saint-Hyacinthe is the first municipality to use biomethanation to derive value from organic matter, and to use the resulting biomethane to meet its energy needs.

The decision opens the door to a potential market for all renewable natural gas producers.

2 Source: Ministère du Développement durable de l'Environnement et de la Lutte contre les changements climatiques (MDDELCC), Inventaire québécois des émissions de gaz à effet de serre en 2012 et leur évolution depuis 1990, Table 1, "Émissions de GES au Québec en 1990 et 2012," p. 11.

3 MDDELCC.

NATURAL GAS SUPPLY

Extending the network in the Bellechasse region

In June 2015, Gaz Métro and the governments of Quebec and Canada announced a project aimed at extending the natural gas network in the Bellechasse region, between the municipalities of Lévis and Sainte-Claire, over a distance of 71 kilometres.

The project has taken shape thanks to support from the business community and elected municipal officials, as well as the governments' commitment to undertake a tangible initiative with a positive impact on the prosperity of businesses, merchants and public institutions.

The federal and Quebec governments have agreed to a joint investment of \$33 million for the project, estimated to cost \$40 million. Gaz Métro will invest \$7 million.

The project was approved by the Régie de l'énergie in December 2015 and planning is progressing. Work will get under way in 2016, and natural gas should be available in December of the same year.

Energy East: An agreement that protects our customers

Gaz Métro has consistently argued that deployment of the Energy East oil pipeline project must not be to the detriment of current and future natural gas consumers. In August 2015, following months of discussions, Gaz Métro and its Ontario counterparts, Union Gas and Enbridge Gas, announced that they had reached an agreement with TransCanada PipeLines Limited (TCPL), under which natural gas supplies for consumers in Quebec and Ontario would be protected.

Among other things, the agreement guarantees firm transportation capacity for Quebec's current gas supply, in addition to providing an excess capacity of 50,000 gigajoules per day. If the Energy East project goes ahead, the agreement could mean a benefit valued at \$100 million between now and 2050 for natural gas consumers. In short, the agreement ensures that natural gas consumers will not have to pay the bill for development and construction of the oil pipeline project.

Gaz Métro is pleased with this outcome. We stayed the course, defending the same guiding principle from the very start, namely full protection of our customers' interests.

OUR VERMONT SUBSIDIARIES

Green Mountain Power (GMP)

Operational integration of GMP and CVPS: Synergies exceed expectations

Further to the acquisition of Central Vermont Public Service Corporation (CVPS) in 2012, Green Mountain Power (GMP) adopted a three-year plan aimed at merging the two entities' operational processes. The year 2015 brought this successful operational integration plan to a close, and the ensuing synergies have exceeded those initially forecast for 2015, 2014 and 2013.

Thanks to lower operating costs, GMP was able to return US\$8 million to its customers and keep the remainder generated by efficiency gains, in compliance with the agreement reached with the Vermont Public Service Board (VPSB) during the acquisition of CVPS.

In fiscal 2016, synergy savings will be shared equally by GMP and its customers. GMP's 2016 rate case therefore includes US\$13.2 million attributable to efficiency gains to be returned to customers.

Sunshine powers 2,000 homes

In March 2015, GMP completed a solar power generation and storage project, the Stafford Hill Solar Farm, located in Rutland, Vermont, for which it received the 2015 Project of Distinction Award from the Solar Energy Industries Association and the Solar Electric Power Association.

Consisting of 7,700 solar panels, the farm can generate 2.5 megawatts of electricity and power up to 2,000 homes at full sunlight and 365 homes year-round.

The project also has a storage component whereby 3.4 megawatt-hours can be stored in a battery system. This energy can then be used during peak periods and serve as back-up power for an emergency shelter in the event of a crisis situation affecting the electrical grid.

With projects generating the most solar power per capita in the region, Rutland has become the solar capital of New England and a model of economic development and revitalization through energy innovation.

In 2016, GMP will actively pursue its solar power development initiatives. Several multi-megawatt projects have been approved, and construction will get under way during the year.

Tesla Motors partnership for a solar-charged battery

In summer of 2015, GMP entered into a partnership with Tesla Motors Inc. in order to offer customers the possibility to use Powerwall, a home battery that charges using electricity generated from solar panels.

GMP is the first energy service company in the United States to conclude such a partnership. With this system, GMP customers benefit from a back-up energy source and GMP can better manage energy demand during peak periods.

Cow power to generate clean electricity

GMP continued to develop its cow power program in 2015, in partnership with dairy farms. The program uses digesters to process cow manure into biogas, which is then used to generate renewable electricity.

This program is of great benefit to the entire State of Vermont, since, in addition to generating renewable energy, it also improves water quality by reducing the amount of phosphorus running off into lakes and streams in the Champlain Lake area — a constant challenge for the region. The system could also be used to process food waste, which will no longer be allowed in Vermont landfills following recent legislative changes. Currently, 13 farms are taking part in the project.

Vermont Gas System (VGS)

Supplying southern Vermont with natural gas

In 2014, after obtaining the necessary permits, Vermont Gas System (VGS) began construction on Phase I of its network development project, which consists of extending its natural gas distribution system to serve the communities of Vergennes and Middlebury in Addison County. The project will double the size of VGS's current assets.

VGS expects to complete construction of the first 17 kilometers of Phase I (out of a total of 66 kilometres) by the end of December 2015. The majority of the construction work is expected to be done during fiscal 2016.

In recent months, further to a project cost update, the Vermont Public Service Board (VPBS) had certain questions. In October, VGS announced a memorandum of understanding with the VPBS regarding recognition of the extension project costs. The memorandum is subject to a reconfirmation of the CPG by the VPSB. If it is approved, it will ensure the continuation of this promising project.

At the time of writing, the project remains underway and is still seen as a beneficial initiative for Vermont. In addition to its environmental advantages, natural gas remains a competitive energy source compared with other fuels.

PROVINCIAL POLITICS

Participation in preparation of a new Quebec energy policy

In November 2014, the Government of Quebec announced its approach for preparing a new Quebec energy policy. From February to June 2015, public consultations were held by the Ministère de l'Énergie et des Ressources naturelles (MERN). Gaz Métro took part in four forums, filing a brief each time, and was invited once as an expert witness. During each of these forums, we illustrated how our solutions could have a tangible and positive impact on Quebec's energy future.

... and other promising initiatives

Gaz Métro also participated actively in the revision of the government's green paper and took part in public hearings held by the government with a view to setting Quebec's greenhouse gas emissions reduction target for 2030. In addition, it played an active role in a consultation aimed at defining the concept of "social acceptability".

READY FOR NEXT?

Active involvement for a diversified energy future

In September 2015, Gaz Métro invited all Quebecers take part in a collective reflection on our energy future, with an advertising campaign dubbed "*Ready for Next?*". Featuring our employees, who shared their ideas and vision, the campaign was a call for citizens to combat climate change by joining forces to develop Quebec's energy future, in three ways:

- By encouraging people to consume energy responsibly;
- By favouring the development of renewable forms of energy such as wind power, solar power and biomethane;
- By reducing our dependence on petroleum products, among other ways by replacing them with natural gas.

Gaz Métro took advantage of the campaign to highlight the new renewable energy sources that it is developing in Quebec and Vermont via its subsidiary Green Mountain Power.

SUSTAINABLE DEVELOPMENT

Front and centre

Because we believe

Supplier code of conduct

With the publication of its Sustainable Development Roadmap in 2012, Gaz Métro committed itself to influence its suppliers, among other ways through its procurement approach.

The actions launched include a Supplier Code of Conduct, released in April 2015. The code sets forth the behaviours expected of Gaz Métro's suppliers, in light of sustainable development and responsible business best practices. As a parallel initiative, the company developed and published a Gaz Métro Authorized Partners code of conduct.

Last but not least, current and potential gas suppliers are assessed according to the criteria used to select goods and services suppliers. This approach allows Gaz Métro to favour suppliers who, for the same price, have a better eco-responsibility rating.

Participating in the shift to a green economy

The mission of the Switch alliance is to speed up the transition to a green economy in Quebec, with a view to building an innovative, resilient and competitive society that reconciles social equity, environment and quality of life. Switch is a unique initiative that brings together businesspeople and environmental activists, who join forces to achieve progress. Gaz Métro is proud to be a member of the advisory committee and to take part in the depolarization of the environment and the economy by actively supporting cooperation in the quest for solutions and consensus.

The energy sector plays a key role in the shift to a green economy. We do so, among other ways, by offering innovative energy efficiency solutions, reducing the transportation sector's environmental footprint and developing renewable forms of energy.

In 2015, Sophie Brochu co-chaired the Canadian Roundtable on the Green Economy, held by Switch, aimed at identifying key factors for speeding up the shift to a green economy in Canada. The participants agreed on the importance of putting a price on carbon and promoting sustainable urban development. Our leaders also sat on committees focusing on social innovation, ecological taxation, government contracts (responsible procurement) and green economy jobs.

Participation in Quebec government consultations on climate change

Gaz Métro is a member of the climate change advisory committee established by Quebec's Minister of Sustainable Development, the Environment and the Fight Against Climate Change. Among other issues, the committee studied the recommendations regarding Quebec's GHG reduction targets for 2030. Gaz Métro also took part in the consultation process, making a presentation and submitting a brief.

Women's solidarity event draws over 1,000 participants

In March 2015, over 1,000 people took part in an event dubbed "*Soupe Pour Elles*," organized by Sophie Brochu and a number of people from her Gaz Métro team, for the benefit of the organization *La Rue des Femmes*. The event inspired women's solidarity and highlighted the essential work of *La rue des Femmes* in helping our society's most vulnerable women.

EMPLOYEES

Front and centre

Our employees

Ethics: A shared priority

At Gaz Métro, ethics are a priority and an area of ongoing reflection. Activities such as interactive training and talks are held for employees. In 2015, the company carried out a periodic update of its code of ethics, with a view to ensuring that the code remains a relevant reference tool and a guide that helps Gaz Métro employees identify grey areas, ask the right questions, openly discuss ethical issues and adopt appropriate behaviours.

Attracting and retaining talent

Above all, Gaz Métro is men and women who care about their work. They are the company's driving force and best ambassadors. As an employer, Gaz Métro has adopted a variety of means to mobilize talent and offer its employees advantageous working conditions.

In 2015, Gaz Métro introduced its first total compensation statement. This personalized tool shows employees the benefits (monetary and other) of working for the company. Among other goals, the approach is aimed at stimulating employees' pride and feeling of belonging.

For over a decade, in order to offer the necessary conditions for high-quality work, Gaz Métro has conducted an employee survey every two years. In 2015, the survey findings were described as exceptional by the KPMG-SECOR experts. The 85% participation rate assured us that the findings were representative, and the mobilization index was 42, compared with 38 in 2013. With this significant progress, Gaz Métro has entered the zone of excellence and became the first organization of its size to post a performance of this calibre.

360 degrees of awareness: Cultivate, prevent and humanize

Launched in 2012 and focusing primarily on promoting psychological health, the *360° d'attention* ("360-degree awareness") campaign maintained its momentum in 2015. In addition to creating conditions for cultivating well-being and promoting quality of life, the company has consolidated its support structure by focusing on the human factor. In this spirit, close to 200 managers received training on prevention and on developing their employees' ability to intervene in the area of psychological health. Implemented during the year, an informal mutual help network made up of management personnel who are trained and equipped to support and guide their co-workers helped reinforce the protection net and further humanize the workplace.

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Stock listing

Toronto Stock Exchange (TSX)

Symbol

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