



BOARD CHAIR APPOINTMENT AND TERM POLICY

POLICY NO: 112 **TITLE:** Board Chair Term
SECTION: Board of Directors
APPROVAL DATE: March 1, 2021 **REVISION DATE:** September 18, 2024
AUTHORITY: Board of Directors **REFERENCE:**
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PURPOSE

This policy describes the approach and process in the recommendation of the Board Chair Appointment and setting of Chair term limits, having regard to known practices of similar organizations to Aquatera.

POLICY STATEMENT

As set out in the Corporate Bylaws: The Original Shareholders, by way of unanimous agreement, shall appoint from among the Directors on the Board, the Chair of the Board.

In the best interest of Aquatera, the Board has the responsibility to review, consider and recommend to the original Shareholders, a Chair from amongst the Directors that possesses the skills and experience necessary to effectively carry out the role and will guide the Board of Directors in carrying out its responsibilities. The Board has initially identified the key skills, commitment and experience required for the Board Chair position.

TERMS OF THE POLICY

Annual Board evaluations are recognized as a key part of ensuring the effectiveness of Board operations and Directors performance, including the overall performance of the Board Chair.

Based on these evaluations and in accordance with Section 6 of the Board and Committee Procedures, approved June 2018 and revised in December 2022, the Board will make a recommendation to the Original Shareholders for the appointment of the next Board Chair, with its rationale for such recommendation.

Initially, the original Shareholders will be requested to appoint the Board Chair for a term of up to three years (aligning with the Directors established term). This will allow the Board Chair sufficient time to establish themselves in the role, set and accomplish goals, without limitation to the original Shareholders' rights to remove the Board Chair, in accordance with section 3.4 of Aquatera's Bylaws. Prior to the end of the initial term, the Board may again recommend to the Original Shareholders that the Chair be re-appointed to another three-year term, with its rationale for such recommendation, in the best interests of Aquatera.

The Board will reconfirm its decision to the Original Shareholders yearly, having regard to:

- the requirements of the Board Chair Position Description and the above skills and experience requirements;
- the incumbent Chair's performance review, tenure and future availability;
- Aquatera's strategy and timeliness for leadership renewal; and
- ensuring there is transparency in the Board Chair performance review and transition process, and that the processes involve all members of the Board.

Unless special circumstances are warranted, the Board will not recommend to the Original Shareholders that the Chair be re-appointed for a third consecutive term.

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