



BOARD AND SENIOR LEADERSHIP GENDER AND DIVERSITY POLICY

1. Purpose and Scope

H₂O Innovation Inc. (“**H₂O Innovation**” or the “**Corporation**”) recognizes the benefits of promoting diversity at the level of the Board of Directors and those in senior leadership positions at the Corporation. The Corporation believes that diverse perspectives enhance its organizational strength, problem solving ability, and opportunity for innovation and considers it essential to approve and implement a policy to define its vision on this matter (the “**Policy**”). This Policy does not apply to diversity in relation to employees of H₂O Innovation who are not in senior leadership positions, which is covered by the Corporation's Diversity, Equity and Inclusion Policy.

2. Definitions

In this Policy, unless the context otherwise requires, the following words and phrases shall have the following meanings:

“**designated groups**” has the meaning attributed to such term in the *Employment Equity Act* (Canada) and shall include without limitation women, indigenous peoples, persons with disabilities, and members of visible minorities;

“**diversity**” refers to all the characteristics that make individuals different from each other and includes, without limitation, characteristics such as gender, geographical representation, education, experience, ethnicity, age, sexual orientation, and disability;

“**gender diverse**” means women and individuals that identify themselves with a gender other than male or female; and

“**senior leadership positions**” means all Corporation's employees in an M3 position or higher in accordance with the Corporation's MPT Classification.

3. Board Diversity

Diversity is an important consideration in determining the composition of the Board of Directors of the Corporation (the “**Board**”). The Corporation seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of experience, skills, and backgrounds collectively reflecting the strategic needs of the business and the nature of the environment in which the Corporation operates. The Board has delegated to the Governance, Remuneration and ESG Committee (the “**Governance Committee**”) the responsibility of overseeing and ensuring the implementation of this Policy. The Corporation believes that a Board made up of highly qualified individuals from diverse backgrounds promotes better corporate governance and performance and effective decision-making. To support the Corporation's Board diversity objectives, the Governance Committee will, when identifying and considering the selection of candidates for election or re-election to the Board:

- a. consider only candidates who are highly qualified based on their experience, functional expertise and personal skills and qualities;
- b. consider diversity criteria including gender, age, ethnicity, disability, and geographical background of the candidate;
- c. consider the Board diversity and the progress made by the Corporation towards achieving its target for gender diverse directors to represent at least 30 % of its directors by the 2023 Annual General Meeting of the shareholders (“**2023 AGM**”);
- d. for equal talent, prioritize designated groups candidates; and
- e. in addition to its own searches, as and when appropriate from time to time, engage qualified independent external advisors to conduct a search for candidates who meet the Board's and the Corporation's expertise, skills, and diversity criteria to help achieve the Corporation's diversity goals.

4. Senior Leadership Diversity

Diversity is also an important consideration in determining the composition of the Corporation's senior leadership. The Corporation believes that having individuals in senior leadership positions from diverse backgrounds promotes better innovation, performance, and effective decision-making. To support the Corporation's senior leadership diversity objectives, the Corporation will, when identifying and considering the selection of candidates for senior leadership positions:

- a. consider only candidates who are highly qualified based on their experience, functional expertise and personal skills and qualities;
- b. consider diversity criteria including gender, age, ethnicity, disability, and geographical background of the candidate;
- c. consider the level of representation of designated groups employees in senior leadership positions;
- d. for equal talent, prioritize designated groups candidates; and
- e. in addition to its own searches, as and when appropriate from time to time, engage qualified independent external advisors to conduct a search for candidates who meet the Corporation's expertise, skills, and diversity criteria to help achieve the Corporation's diversity goals in relation to senior leadership positions.

5. Gender Diversity

Gender diversity is one important component of the Corporation's diversity strategy. The Governance Committee is responsible for assessing on an annual basis the Corporation's progress against this Policy's objectives.

The Board is firmly committed to having gender diverse directors represent at least 30% of its directors by the 2023 AGM. The Governance Committee will ensure that, as required by applicable corporate and securities laws, the annual proxy circular of the Corporation informs shareholders and other stakeholders about the implementation of the Corporation's gender and diversity commitment by:

- a. including a summary of the objectives and key provisions of this Policy;

- b. including information about the Governance Committee’s annual review of the effectiveness of the Policy, disclosing the measures taken to ensure that the Policy has been effectively implemented;
- c. disclosing the number and proportion of gender diverse directors on the Board and, where the Corporation has not yet achieved its target of 30% gender diverse directors on the Board, the steps being taken to achieve this commitment;
- d. disclosing the number and proportion of gender diverse and minorities in senior leadership positions of the Corporation; and
- e. disclosing mechanisms for fostering Board renewal adopted by the Board.

The Governance Committee is responsible for reviewing this Policy annually, updating this Policy as required and reporting to the Board with respect to this Policy from time to time.

Approved by the Board on September 27, 2022