



POLICY REGARDING TENURE ON THE BOARD OF DIRECTORS

1. OBJECTIVE AND SCOPE

The Board of Directors (the “**Board**”) of H₂O Innovation Inc. (the “**Corporation**”) is committed to a process of Board renewal and succession-planning for non-executive directors (the “**Directors**”) in order to balance the benefits of experience with the need for new perspectives while maintaining an appropriate degree of continuity and has therefore adopted this policy regarding tenure on the Board (the “**Policy**”).

The Governance, Remuneration and ESG Committee (the “**Governance Committee**”) is responsible for recommending nominees for election to the Board and, in furtherance of such responsibility, it analyzes the talent, experience and skills of existing Directors, oversees the annual performance review process, and assesses the future needs of the Board, including the need to comply with the Corporation’s Board and Senior Leadership Gender and Diversity Policy.

2. GENERAL PRINCIPLES

The following terms (the “**Term Limit**”) are applicable to all Directors, including Directors selected or nominated by significant shareholders under certain agreements entered into such shareholders and the Corporation, subject to being annually elected by the shareholders and receiving strong positive annual performance review results:

- a) Directors who joined the Board prior to January 1, 2020 may serve as a director of the Corporation for a maximum of sixteen (16) years; and
- b) Directors who joined the Board on or after January 1, 2020 may serve as a director of the Corporation for a maximum of twelve (12) years.

3. SPECIFIC EXCEPTIONS

Exceptionally, on a case-by-case basis and on the recommendation of the Governance Committee, a Director who has reached the Term Limit may be nominated to serve on the Board for an additional mandate of one (1) year, up to a maximum of four (4) years, subject to being annually elected by the shareholders of the Corporation.

In determining whether to make such a recommendation to the Board, the Governance Committee shall notably consider the following factors:

- a) the Director has received strong positive annual performance review results; and
- b) the Governance Committee truly believes it is in the best interest of the Corporation that the Director continues to serve on the Board.

Notwithstanding the foregoing, the Board retains full and complete discretion in approving such recommendation by the Governance Committee.

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

Adopted by the Board of Directors on October 20, 2022.