



# Whistleblower Policy

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## **Scope of this Policy**

The Whistleblower Policy (the “**Policy**”) provides for the possibility for the employees, managers and executive officers (the “**Employees**”) of H<sub>2</sub>O Innovation Inc. and of its affiliates and subsidiaries (“**H<sub>2</sub>O Innovation**” or the “**Corporation**”), including temporary staff and consultants, to communicate the existence of a problem or serious concern in good faith regarding Wrongdoing (as defined in Section 2 of this Policy) that may occur within the Corporation.

Financial or business decisions made by the Corporation cannot be called into question by the provisions of this Policy.

This Policy also provides for confidential and anonymous reporting.

## **Purpose of this Policy**

The Corporation seeks to maintain the highest ethical standards and to comply with all applicable laws and government rules and regulations, accounting controls, and audit practices.

The Corporation has created a work environment based on trust and respect so that all Employees can work without fear and free from intimidation, harassment, and discrimination. One component of this commitment consists of fostering an atmosphere of openness and honesty, where any problem, concern, or complaint about Wrongdoing may be raised in good faith by any Employee without fear of retaliation.

## SECTION 1 - RESPONSIBILITY FOR THIS POLICY

In accordance with its mandate, its mission and the applicable securities rules and regulations, the Audit Committee of the Corporation is responsible for ensuring that (i) a confidential and anonymous reporting process is in place so that Employees can report any Wrongdoing associated with the Corporation, and (ii) that the Corporation complies with such reporting process.

The Audit Committee has established the procedure described herein for the receipt, retention and process of complaints and concerns regarding any Wrongdoing.

## SECTION 2 - WRONGDOING

For the purposes of this Policy, the concept of Wrongdoing shall include any act that, in the whistleblower's opinion, is illegal, unethical, contrary to the Corporation's policies, or reprehensible or inappropriate in any other manner, including without limitation:

- a) Violation of applicable laws, rules, or regulations that relate to the Corporation's reporting;
- b) Fraud or deliberate errors in the preparation, assessment, examination, or audit of the Corporation's financial statements;
- c) Fraud or deliberate errors in the maintenance of the Corporation's financial records;
- d) Deficiencies in the Corporation's policies and internal controls or failure to comply with such policies and controls;
- e) False declarations made by or to a Corporation's Employee regarding items in the financial records and reports or audit reports;
- f) Failure to present a complete and accurate report of the Corporation's consolidated financial position;
- g) Misappropriation of the Corporation's funds;
- h) Violation of any provision of any of the Corporation's internal policies including, without limitation, the Ethics and Business Conduct Policy, the Procurement Code of Conduct, the Delegation of Authority Policy, the Disclosure, Confidentiality and Trading Policy and the Social Media Policy; or
- i) Acts committed to conceal any of the abovementioned acts,

(collectively, "**Wrongdoing**").

## SECTION 3 - REPORTING AND PROCESSING

### 3.1 - Report

Any Employees who wish to report a concern regarding alleged Wrongdoing shall submit a written notice or report to either the Chief Financial Officer (the "**CFO**") and the Chair of the Audit Committee. In the event reporting is done by an Employee to the CFO, CFO shall promptly inform the Chair of the Audit Committee of the concern he received.

Report shall be made in writing and sent, either by email to [whistleblowing@h2oinnovation.com](mailto:whistleblowing@h2oinnovation.com) or by mail in a sealed envelope with the mention “Confidential” on it at the following address: 340-330 Saint-Vallier Est, Québec QC G1K 9C5. The report must include relevant, accurate, and sufficient information regarding dates, individuals, locations, witnesses, figures, etc. so that a reasonable investigation can be conducted.

### 3.2 - Confidentiality

As previously mentioned, the Corporation will use its best efforts to maintain confidentiality and anonymity to the fullest extent possible, consistent with the need to conduct an adequate review. The whistleblower’s identity will not be disclosed, unless authorization of such disclosure is expressly given, or such disclosure is required by law.

Anonymous and confidential reports are sent only to individuals who must be informed of them so that alleged Wrongdoing can be reviewed and investigated.

### 3.3 - No Negative Repercussions

H<sub>2</sub>O Innovation will not discipline, discriminate against or retaliate against any Employee who reports an alleged Wrongdoing or a complaint in good faith, whether or not the information is ultimately proven to be correct, or who cooperates in any investigation or inquiry thereof.

Any other Employee of the Corporation who retaliates against a whistleblower who reports an alleged Wrongdoing in good faith commits a serious breach of this Policy and is subject to disciplinary action up to and including dismissal.

### 3.4 - Processing Disclosure of Wrongdoing

Upon receipt of a written report of Wrongdoing, the Chair of the Audit Committee shall acknowledge its receipt and open a file that is kept in a secure location to protect the confidentiality of the information on the whistleblower.

The Chair of the Audit Committee shall determine whether:

- a) the disclosure of Wrongdoing actually deals with a subject covered by this Policy;
- b) the alleged breach is serious; and
- c) the disclosure of Wrongdoing appears to be based on credible allegations and information.

In the event the Chair of the Audit Committee believes that the complaint meets the foregoing criteria, he/she must refer the complaint to the Audit Committee so that it can conduct an investigation. To do so, the Audit Committee may use internal or external legal or accounting resources or anyone else the Audit Committee considers as relevant and appropriate.

During the investigation, the Audit Committee must have access to all of the Corporation’s books and records. The Corporation’s Employees must cooperate fully with the investigation.

In the conduct of its investigation, the Audit Committee shall use reasonable efforts to protect the confidentiality of the information on the whistleblower. Investigations must take place as quickly as possible, depending on the nature and complexity of the Wrongdoing that has been disclosed and the questions that have been raised by the Audit Committee.

### **3.5 - Record Keeping**

A log of all complaints and concerns relating to Wrongdoing or other matters of similar nature, tracking their receipt, investigation and resolution, shall be maintained by the Chair of the Audit Committee.

Notwithstanding the foregoing, the Chair of the Audit Committee must immediately report to the Audit Committee regarding any complaint that may have serious consequences for the Corporation.

## **SECTION 4 - EXAMINATION OF THE WHISTLEBLOWER POLICY**

The effectiveness of this Policy is monitored by the Audit Committee. The Audit Committee shall assess this Policy on a regular basis to determine whether it provides an effective confidential and anonymous procedure for disclosing Wrongdoing.