



Delegation of Management Authority Policy

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TITLE: Delegation of Management Authority	REVISION DATE:
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	PAGE: 1 OF 3

PURPOSE

The Delegation of Management Authority (DOMA) Policy is a policy that has been established by the Board of Directors of Aquatera Utilities Inc. to:

- Set out matters specifically reserved for determination by the Board and those matters delegated to Management
- Set out matters reserved for specific roles
- Establish expense approval limits by role

The functions exercised by the Board and those delegated to management are subject to ongoing review to ensure that the division of functions remains appropriate.

MATTERS RESERVED FOR THE BOARD

Matters specifically reserved for the Board include:

- Approval of Corporate Strategic and Business Plans
- Approval and oversight of Board policies
- Approval of annual Operating and Capital budgets
- Approval of revisions to Capital and Major Maintenance budgets in excess of \$200,000
- Matters involving financial amounts in excess of \$200,000 not disclosed in the annual budget
- Write-downs of any financial assets of the organization in excess of \$200,000.
- Approval of contracts and obligations in excess of \$200,000 and /or over a 5-year term not disclosed in the annual budget
- Approval of any inter-company financial arrangements
- Approval of any external financing arrangements
- Approval and oversight of the Corporate Enterprise Risk Management Framework
- Succession planning and recruitment process for Board positions and the position of Chief Executive Officer (CEO)
- All matters with the potential to have the material impact on the reputation of the organization
- Approval of any transfers into or out of the investment accounts
- Approval of the annual financial statements for the organization

- Release of the Annual Report and Annual Financial Statements

MATTERS DELEGATED TO MANAGEMENT

Other than as expressly provided in this policy, all matters not specifically reserved for the Board and necessary for the day-to-day management of the organization, and the implementation of corporate objectives, are delegated to Management. Management may sub-delegate where appropriate. The organization's policies and procedures provide guidance on the execution of specific roles and responsibilities.

Management shall be responsible for:

- Ensuring that the organization's day-to-day operations including customer care are carried out in accordance with all legal and regulatory requirements
- Ensure that the organization's policies, practices, decisions are undertaken in a manner that is prudent, equitable and consistent with commonly accepted business practices and professional ethics
- Ensure that the organization's assets are protected, adequately maintained and not placed at unnecessary risk
- Ensure that Board approved priorities are reflected in the allocation of resources
- Ensure that financial transactions are based on International Financial Reporting Standards (IFRS)
- Promote a healthy work environment for staff that is consistent with the organization's values
- Represent the organization externally to the community, government, media and other stakeholders in ways that enhance the public image and credibility of the organization.

REPORTING BY MANAGEMENT TO THE BOARD

As part of the framework established by this policy as well as the Board mandate and specific committee charters, Management is required to report regularly to the Board concerning the authority exercised.

Reports by management shall cover such areas as financial performance, risk management, environmental performance, human resource issues and other items related to organizational operation.

In the event of a serious occurrence, Management must report to the Board immediately (environmental, safety, personnel, legal and reputational).

EXPENDITURE APPROVAL POLICY

Board approval shall be required for:

- All capital and/or operating expenditures in excess of \$200,000 or greater than 5-year contracts not disclosed in the annual budget.
- Disposal of assets in excess of \$200,000
- Contracts outside of the approved budget, in excess of \$200,000 or greater than 5-years
- Opening of new bank accounts
- Corporate borrowing, lines of credit including inter company transfer of funds
- Corporate banking investments

The CEO shall approve:

- All budgeted capital and/or operating expenditures and contracts up to \$200,000 or less than 5 years in term
- All unbudgeted expenditures in excess of \$100,000 but less than \$200,000 will be disclosed to the Board
- Staff hires or contracts within the approved budget
- All operating expenditures incurred in the ordinary course of business and within the approved operating budget

The CFO shall approve:

- all disposal of assets up to \$100,000

Aquatera shall have a purchasing policy that confirms approved signatories for all contracts, purchase orders, cheques and expenditures.

COMMUNICATION ON BEHALF OF THE ORGANIZATION

Any verbal or written communication with media, regulatory bodies, or other entities that may have an impact on the organization are limited to:

- The Board Chair
- The CEO

TEMPORARY DELEGATION OF AUTHORITY

Any role may temporarily delegate their authority to another role in case of absence. The Board must be informed of the delegation for the CEO and the period for which it will be in force.