



# DELEGATION OF MANAGEMENT AUTHORITY POLICY

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**POLICY NO:** 312                                   **TITLE:** Delegation of Management Authority  
**SECTION:** Board of Directors  
**APPROVAL DATE:** March 27, 2019           **REVISION DATE:** September 18, 2024  
**AUTHORITY:** Board of Directors           **REFERENCE:**  
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## PURPOSE

Matters requiring shareholder approval are identified in the Unanimous Shareholders' Agreement (USA) and appropriate Corporate Statutes and Regulations. This Delegation of Management Authority (DOMA) Policy is a policy that has been established by the Board of Directors of Aquatera Utilities Inc. to identify matters to be approved by the Board and delineate those from matters that have been delegated for approval to Management.

The DOMA should be reviewed annually.

## MATTERS RESERVED FOR THE BOARD

Matters specifically reserved for the Board (subject to Shareholder approval as required under the USA) including the approval and oversight of:

- Aquatera's Strategic Plan, Operating Plan, and annual Operating and Capital Budget
- Board policies
- Annual dividends or share redemptions
- Preferred or common share issuances
- Increases in capital spending reasonably expected to result in the Company exceeding the annual capital budget by more than \$1 million
- Commitments or contracts outside of the approved annual budget and in excess of \$1 million (valued on an undiscounted basis) or greater than five years in duration
  - New contracts to manage the operations and assets of others ("Managed Operations Contracts") are addressed in the Service Commitment Policy
- Sale of any asset for proceeds in excess of \$500,000
- Write-downs of any monetary assets (e.g. receivables, portfolio investments) of the organization in excess of \$500,000
- Approval of any incremental inter-company loans or investments (including additional contributions of assets)
- Approval of any incremental investment in or financial support for uncontrolled companies
- Approval of any incremental external leases, loans or funded borrowings > \$1 million
- Succession planning and recruitment process for Board positions and the position of Chief Executive Officer (CEO)

- All matters with the reasonable potential to have a material impact on the reputation of the organization
- Approval of the annual financial statements for the organization
- Any corporate amalgamation, reorganization, or joint venture
- Select or remove the company's external or internal auditors

## **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 reporting is based on International Financial Reporting Standards (IFRS)
- Promote a safe and 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

## **DELEGATION OF AUTHORITY AMONGST AQUATERA EMPLOYEES**

The allocation of tasks between members of the management and employees in general are identified in the company's policies (both Board and Management Policies) and procedures. Where conflict may exist between this DOMA and other policies, this policy will prevail.

Subject to Shareholder or Board approval where required, the delegation of authority amongst management and employees in general are defined in the Appendix A.

## **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 such 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).

## **COMMUNICATION ON BEHALF OF THE ORGANIZATION**

Any verbal or written communication with media, regulatory bodies, or other entities that has the potential to have a significant negative reputational impact on the organization are limited to:

- The Board Chair; or
- The CEO.

Significant communications with Shareholders will be coordinated between the Board Chair and CEO.

All employees should also consider the Corporate Communications Policy (#418) in regards appropriate handling of Aquatera's information.

## **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 of the CEO's authority and the period for which it will be in force.

## **DEFINITIONS**

**Board Policies** are those Aquatera policies governed by the Board of Directors and can be found on SharePoint under Forms and Policies\Policies.

Certain other definitions are provided in Appendix A.

## **DISCLAIMER**

*This document is the property of Aquatera Utilities Inc. for authorized use only and is subject to change at anytime. All users are reminded to exercise due caution, when referencing printed copies or previously downloaded copies, as these are uncontrolled documents and may not accurately reflect what is currently posted.*

**Appendix A to DOMA  
Table of Authorities for Employees of Aquatera Utilities Inc.**

CEO authority is defined by the provisions in the DOMA.

Limits below are based on the following:

- a) on an occurrence-by-occurrence basis (each legal contract or Purchase Order is subject to the limit below) and all commitments to the same party that could reasonably be considered to the same contract would be aggregated in determining the limit.
- b) the total value of a commitment over multiple years is to be included in the limit and are not discounted for the time value of money.

	<b>CFO or COO</b>	<b>Executive Vice Presidents &amp; Vice Presidents</b>	<b>Managers other than Project Managers</b>	<b>Supervisors, Project Managers</b>	<b>Group Administrators</b>
Commitments or expenditures provided for within Executive-approved Projects	\$400,000	\$200,000	\$100,000	\$50,000	-
All other Commitments and Expenditures	\$200,000	\$100,000	\$50,000	\$25,000	-
Invoice approvals on previously approved Commitments and Expenditures	\$400,000	\$200,000	\$100,000	\$50,000	\$25,000
Short-term Operations Coverage Contract (note: Managed Operations Contracts otherwise require CEO approval)	\$150,000	-	-	-	-
Asset disposals	\$100,000	\$50,000	\$25,000	-	-
Any new financing arrangements or amendments to existing arrangements	CFO only - \$100,000	-	-	-	-
Investment transfers within corporate accounts	Unlimited	-	-	-	-

Authority for hiring decisions are as follows:

- 1) CEO approves all new and the filling of vacant positions; and
- 2) Hiring Managers are authorized to fill approved positions in consultation with the Human Resources Manager.

**Definitions**

**Commitments** are verbal or written agreements to commit the company's financial resources, assets or human resources and/or to provide future services.

**Expenditures** are verbal or written agreements to commit the company's financial resources in exchange for goods or services. An Expenditure is generally a form of Commitment.

**Executive-approved Projects** are projects that have been reviewed with the Executive Team and are registered on the CFO's approved project list.

**Managed Operations Contracts** are contracts to manage operations and assets owned by others.

**Short-term Operations Coverage Contracts** are Managed Operations Contracts where the contract has an expected value <\$150,000 and a term less than one year.