

# **AQUATERA UTILITIES INC.**

## **HUMAN RESOURCES COMMITTEE CHARTER (HRC)**

### **A. Mandate of the HRC**

The HRC is empowered by the Board to advise on the strategic alignment of human resource policies and practices with company and strategic objectives, company performance and human resource risks for Aquatera Utilities Inc. and its subsidiaries (the "Company").

The CEO is responsible for overall management of the Company's human resources including the human resource strategy and the assessment of its effectiveness and all hiring and terminations of Company employees. Through its collective experience, the HRC may also provide input and advice to the CEO and management on human resource matters.

### **B. Duties and Responsibilities of HRC**

The HRC shall have the following specific duties and responsibilities:

1. Oversight of the CEO

- (a) review and recommend to the Board proposed changes to the role and responsibilities of the CEO;
- (b) review and recommend to the Board for approval appointments to the position and office of the CEO, setting appropriate employment terms and compensation, including any employment or related agreements;
- (c) review and recommend to the Board for approval termination payments or other provisions for the CEO if such payments are outside of contract provisions;
- (d) review and recommend to the Board the CEO's annual goals and objectives;
- (e) monitor and review progress on the CEO's annual goals and objectives;
- (f) conduct annually an evaluation of the CEO's performance through a process which includes a review of the CEO's self-assessment and a review of Directors' feedback on CEO performance;
- (g) subject to the terms of the CEO contract, annually by the end of April, review and recommend to the Board for approval the adjustments to salary, short-term incentives, long-term incentives, benefits and other compensation for the CEO, based on the evaluation of the CEO's performance, relative shareholder returns, and considering other relative and comparable data, including data for the compensation peer group;
- (h) establish and review the CEO's succession and development plan and report to the Board annually.

## 2. Human Resources Matters

- (a) review and recommend to the Board proposed changes to major human resources policies;
- (b) ensure that adequate policies and processes are in place to identify, assess and manage human resource risks, including having in place a Code of Conduct and the provision of adequate training for Directors, employees and consultants;
- (c) establish and recommend to the Board for approval the Company's compensation philosophy and assess compensation risk, to ensure that the CEO and his or her executive-level direct reports ("Corporate Officers") are not incented to take unnecessary or inappropriate business risks;
- (d) review and approve the compensation peer group;
- (e) review compensation benchmark data;
- (f) in consultation with the CEO, review and recommend to the Board for approval the appointment of Corporate Officers, including the terms of their employment;
- (g) Annually review and approve adjustments to salary and short term incentive payments for Corporate Officers;
- (h) Review and approve adjustments to long term incentives, benefits, termination payments or other provisions for Corporate Officers if such payments are outside of contract provisions;
- (i) review the individual goals and objectives established by the CEO for each of the CEO's executive-level direct reports;
- (j) review the CEO's evaluation of the performance of each Corporate Officer, including an assessment by the CEO of the degree to which each has achieved the individual goals and objectives that were established for them;
- (k) review and recommend to the Board for approval any recommendations for long term incentive plans;
- (l) review and approve the annual staff salary increase budget and incentive budget;
- (m) review and recommend the compensation of the Board Chair, the Committee Chairs and Directors every 3 years;
- (n) review and recommend to the Board for approval collective bargaining increases that exceed management's budgeted amounts;
- (o) review and recommend to the Board for approval major amendments to employee and executive benefit, pension, and similar plans;
- (p) in consultation with the CEO, review and recommend to the Board for approval major changes to the structure and organization of senior management functions;
- (q) review the succession plans for the CEO, COO, and other relevant C-suite positions, including emergency succession plans in the event of an untimely or unplanned vacancy. Review development plans for those who have been

identified as high potential to ensure that the internal succession pipeline for leadership positions is robust. Report to the Board annually;

- (r) review and recommend to the Board annual corporate key strategic objectives ("KSOs") and metrics based on the Company's strategic plan;
- (s) monitor and report to the Board on progress on corporate KSOs and metrics;
- (t) every two years review employee diversity and inclusion, compare results and report on any changes from prior reporting period;
- (u) regularly review metrics on employee engagement results and actions plans (if any), employee turnover rates (trends) and union grievances;
- (v) review union negotiating mandate prior to commencing negotiating discussions.

3. Health and Safety Matters

- (a) Review the effectiveness of existing health and safety policies and procedures of the Company, considering compliance with applicable laws, conformity with industry standards and prevention or mitigation of losses;
- (b) review the effectiveness of the response by the Company to health and safety issues, including the compliance with statutory and regulatory requirements;
- (c) review the Company's safety results against WCB industry standards;
- (d) review and consider reports and recommendations issued by the Company or by an external party relating to the health and safety issues, together with management's response thereto;
- (e) review with management public policy proposals or regulations relating to health and safety and discuss with management the potential impact and application of such polices on the Company.

4. Powers of the Committee

- (a) The Company's goal and intention is to comply with the laws, rules and regulations by which it is governed. In fact, the Company strives to comply not only with requirements of the law but also with recognized compliance practices and ethical standards. The HRC shall ensure that the Company's Human Resource practices and procedures comply with the same.
- (b) The HRC may, at the request of the Board or on its own initiative, investigate such other matters as it considers necessary or appropriate in the circumstances.

5. Report to the Board

The HRC shall:

- (a) Except as set out in this work plan, act in an advisory capacity reporting to the Board on matters reviewed and make recommendations for approval as appropriate.

6. Review of Charter and Evaluation of Committee

The HRC shall evaluate its performance and review and assess the adequacy of its Charter annually or otherwise, as it deems appropriate and propose changes to the Governance and Environment Committee and the Board for approval.