

# **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 ("senior management") are not incented to take unnecessary or inappropriate business risks;
- (d) review the overall effectiveness of the Company's talent management strategies, including practices and procedures with respect to hiring, assessment, compensation, succession planning and labour issues to ensure that the Company can attract and retain the quality of personnel required to meet business needs;
- (e) review and approve the compensation peer group;
- (f) review compensation benchmark data;
- (g) in consultation with the CEO, review and recommend to the Board for approval the appointment of senior management, including the terms of their employment;
- (h) review and approve adjustments to salary, short-term incentives, long-term incentives, benefits, termination payments or other provisions for senior management 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 senior management, 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 approve the Company's annual salary planning guidelines, targets and goals for the Company's incentive compensation plans and applicable compensation peer groups;
- (l) review and approve recommendations for any long-term incentive plans, and amendments to benefits plans;
- (m) review and approve the annual staff salary increase budget and incentive budget;
- (n) review and recommend biennially the compensation of the Board Chair, the Committee Chairs and Directors;
- (o) review and recommend to the Board for approval collective bargaining increases that exceed management's budgeted amounts.
- (p) review and recommend to the Board for approval any amendments to the Company's externally managed Employee Retirement Pension Plans or similar

plans (other than statutory changes as advised by the administrators of such plans). Benefit amendments resulting in additional financial expenditure will also be reviewed by the ARC for approval by the Board;

- (q) together with the ARC, review annually and as required the overall governance of the Company's externally managed Pension Plans, the broad objectives of the plan(s) and any material changes to the plan(s) and report to the Board annually.
- (r) in consultation with the CEO, review and recommend to the Board for approval major changes to the structure and organization of senior management functions;
- (s) review the succession and development plans for the CEO, CFO, COO and other key management positions and report to the Board annually, including an emergency succession plan in the event of an untimely or unplanned vacancy;
- (t) review and recommend to the Board annual corporate key strategic objectives ("KSOs") and metrics based on the Company's strategic plan;
- (u) monitor and report to the Board on progress on corporate KSOs and metrics;
- (v) review recruiting and attrition statistics quarterly.

### 3. Health and Safety Matters

- (a) review and evaluate with management the existing health and safety practices and procedures of the Company for compliance with applicable laws, conformity with industry standards, and prevention or mitigation of losses;
- (b) review with management the health and safety policies of the Company, to benchmark such policies against industry standards and best practices, to ensure that such policies are being effectively implemented;
- (c) review the effectiveness of the response by the Company to health and safety issues, including the compliance with statutory and regulatory requirements;
- (d) review the Company's safety results against industry standards and peers;
- (e) 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;
- (f) review with management and make recommendations to the Board as appropriate on the health and safety policies and procedures of the Company, appropriate implementation of such policies, compliance with applicable laws, conformity with industry standards, and prevention or mitigation of losses and any other matters relating to environment, health and safety it considers relevant;
- (g) review with management public policy proposals or regulations relating to health and safety and discuss with management the potential impact and application of such policies 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) 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.