



MANDATE OF THE CORPORATE GOVERNANCE, REMUNERATION AND RISKS COMMITTEE

The Governance, Remuneration and Risks Committee (the “**Committee**”) of H₂O Innovation Inc. is appointed by the Board of Directors for the purpose of providing oversight, assessment, guidance and/or recommendations to the Board of Directors on the following matters: (i) corporate governance affairs, (ii) internal controls, (iii) compensation of the Executive Officers and Board of Directors members, (iv) employee benefits and talent management, (v) risk management, (vi) health & safety and environmental compliance and (vii) cybersecurity.

The Committee shall consist of a minimum of three (3) non-related, independent directors. The quorum shall consist of a majority of the members duly appointed by the Board of Directors. The members of the Committee are appointed each year by the Board of Directors at its first meeting following the annual meeting of the shareholders or at any other meeting if a vacancy occurs. The Board of Directors also appoints a chairperson among the Committee members.

The Committee shall meet at such times and with such frequency as the Committee determines appropriate or as it is required for the good business of the Corporation, either in person or via conference call; provided however that the Committee should meet at least twice a year, in April and in September.

All Committee members shall act honestly and in good faith while keeping the Corporation’s best interests in mind and exercising the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. The members of the Committee will review and evaluate the performance of the Committee on an annual basis.

DEFINITION OF RESPONSIBILITIES

In carrying out its responsibilities, the Committee shall have the following specific responsibilities:

A – Corporate Governance

1. Develop and recommend to the Board of Directors corporate governance guidelines or principles applicable to the Corporation, including those with respect to: (i) the size and composition of the Board of Directors, (ii) the orientation of new directors, (iii) the provision of continuing education to directors, (iv) the compensation of the directors, (v) the periodic assessment of the performance of the Board of Directors, its committees, and directors, including competencies and skills each individual director is expected to bring to the Board of Directors and (vi) the review of the mandate of each committee of the Board of Directors.
2. Review and reassess the relevance and the adequacy of such corporate governance guidelines on an annual basis and recommend to the Board of Directors any changes deemed appropriate by the Committee.
3. Review, for recommendation to the Board of Directors, the Corporation’s code of business conduct and ethics applicable to its directors, officers, and employees containing standards that are reasonably designed to deter wrongdoing and review such code of business conduct on a regular basis.



4. Oversee and review the practices and processes implemented by the Board of Directors and the management of the Corporation to ensure compliance with applicable laws and appropriate ethical standards, including the adoption by the Board of Directors of appropriate corporate policies and procedures.
5. Recommend candidates for election or appointment to the Board of Directors, including the review of nominations recommended by the shareholders of the Corporation, if any.
6. Assess the integrity of the Chief Executive Office (the “CEO”) and other Executive Officers of the Corporation by any means deemed necessary by the Committee.
7. Review, for recommendation to the Board of Directors, position descriptions for the Chairman of the Board of Directors and the chair of each committee.

B – Internal Controls

1. Receive, for information purpose, the internal control reports presented by the management to the Audit Committee.

C – Succession Planning, Performance Review and Compensation for Executive Officers and Directors

1. Review, for recommendation to the Board of Directors, corporate process for succession planning, periodical review of succession plans for key management, including the President and CEO.
2. Review on an annual basis, for recommendation to the Board of Directors, the remuneration to be paid to the Corporation’s Executive Officers and managers based on their performance, skills and experience, including, without limitation, base salary, annual variable remuneration and equity compensation, as the case may be. The Committee may retain, as it deems it necessary to provide recommendation to the Board of Directors, the assistance of an independent compensation consultant with respect to the compensation of Executive Officers of the Corporation.
3. Review on a regular basis, for recommendation to the Board of Directors, the remuneration to be paid by the Corporation to the members of the Board of Directors. The Committee may retain, as it deems it necessary to provide recommendation to the Board of Directors, the assistance of an independent compensation consultant with respect to the compensation of the Corporation’s directors.
4. Review, for recommendation to the Board of Directors annual corporate goals and objectives for the Corporation’s management (roadmap) and assess, on a regular basis, the achievement of such goals and objectives.
5. Review, for recommendation to the Board of Directors, all short and long term incentive compensation plans and equity-based plans, such as annual variable remuneration structure, stock option plan, share purchase plan, share units, or any other plan or program where shares or options to acquire shares may be granted.
6. Discuss with the Board of Directors the competencies and skills that are expected from a candidate for the position of President and CEO of the Corporation and provide recommendations to the Board of Directors with respect to the hiring of a selected candidate for this position.



D – Talent Management and Employee Benefits

1. Provide guidance and oversight on talent management to ensure that the Corporation attracts and retains the talents needed to deliver its business objectives.
2. Review investments and strategies made by the Corporation for employee training, education and development.
3. Provide strategic guidance on employee benefits-related matters such as health and medical plans and programs, costs, competitiveness, market tendencies and benchmarking.

E – Risk Management

1. Provide oversight of, and review for recommendation to the Board of Directors, (i) the Corporation's material risks of any nature, (ii) the corporate risk profile developed by the management, (iii) the mitigation plan proposed by the management, and (iv) monitor the implementation of appropriate actions, systems and insurance policies to manage the risks identified in the corporate risk profile.
2. Once a year, review the Corporation's commercial insurance coverage to ensure all risks are sufficiently covered and recommend to the Board of Directors any changes, modifications or additions to be made to the commercial insurance coverage of the Corporation.
3. Assess the effectiveness and the independence of risk management functions and the risk awareness culture throughout the organization.
4. Discuss with the Corporation's management about the infrastructure, resources and systems in place for risk management and assess their suitability to maintain a satisfactory level of risk management discipline.
5. Inquire on the Corporation's conditions to identify potential future risks and discuss with the Corporation's management adequate plans to properly address the future risks identified.

F – Health & Safety and Environmental Compliance

1. Review and monitor (i) health, safety and security systems, policies and activities, and (ii) environmental systems, policies and activities, of the Corporation to ensure compliance with applicable laws, legislation and policies.
2. Recommend actions for developing policies, programs and procedures to ensure that the principles set out in the Corporation's policies related to (i) health, safety and security, and (ii) environmental matters, are being adhered to and achieved.
3. Monitor management's action plans to address emerging issues and review the sufficiency of resources available for carrying out the actions and activities recommended.
4. Review environmental compliance issues and environmentally sensitive incidents to determine that the Corporation is taking all necessary action in respect of those matters especially, without limitation, when conducting its operation and maintenance activities, and that the Corporation has been duly diligent in carrying out its responsibilities and activities in that regard.



5. Review management's report on the identification, assessment and management of risks relating to health, safety, security and environmental matters.

G – Cybersecurity

1. Provide oversight with respect to the Corporation's information technology use and protection, including but not limited to data governance, privacy and cybersecurity.
2. Review, on an annual basis, the policies, procedures and plans (i) intended to provide security, confidentiality, availability and integrity of the information and data, (ii) with respect to the Corporation's information technology systems, and (iii) to respond to a material cyber incident or event.
3. Review with Corporation's management disaster recovery capabilities.

GENERAL

The Committee shall report, on a timely and regular basis, its findings and conclusions to the Board of Directors with respect to any of the matters described above. Furthermore, the Committee may discuss any other matter as delegated by the Board of Directors in terms of corporate governance, remuneration and risks.

In carrying out its duties and responsibilities, the Committee must be fully diligent in its monitoring in order to prevent fraud or abuses. As a result, the Committee may conduct examinations, studies, and investigations and hire legal, financial, or other consultants at the Corporation's expense and according to the frequency and terms and conditions the Board of Directors deems appropriate.

Revised by the Board of Directors on June 17, 2020.