



EXECUTIVE COMPENSATION CLAWBACK POLICY

H₂O Innovation Inc. (“**H₂O Innovation**” or the “**Corporation**”) is a publicly traded corporation whose common shares are listed on the TSX Exchange . Corporation’s common shares are also traded on the Euronext Growth Paris in Europe and on OTCQX marketplace in the USA.

This executive compensation clawback policy (the “**Policy**”) authorizes the Board of Directors (the “**Board**”) of the Corporation to recover from an Executive Officer (as defined below) Incentive Compensation (as defined below) in instances where a Recalculation (as defined below) occurs.

The principal guidelines of this Policy are set forth below:

1. Recalculation Guidelines

For the purpose of this Policy, the occurrence of the following shall be deemed an event that would require a recalculation (a “**Recalculation**”):

- (i) the amount of the Incentive Compensation received by an Executive Officer was calculated based on, or contingent on, achieving certain financial results that are subsequently the subject of or affected by a restatement, misstatement or overstatement of all, or a portion of, the Corporation’s financial statements;
- (ii) an Executive Officer is involved in gross negligence, intentional misconduct or fraud that caused or partially resulted in such restatement, misstatement or overstatement; or
- (iii) the Incentive Compensation payment received would have been lower had the financial results or other information been properly reported.

In addition, the Board may determine whether any other facts, circumstances or legal obligations make it appropriate for the Board to consider, in the exercise of its fiduciary obligations to the Corporation and its shareholders, that a recovery of Incentive Compensation is necessary.

2. Recovery Process and Manner of Repayment

The Board shall determine the amount, if any, of the difference between the Incentive Compensation received and the actual compensation payable based on the Recalculation. In determining the amount of recovery, the Board shall take into consideration in good faith an estimate of the value of any tax deduction available to the applicable Executive Officer or such other tax efficiencies resulting from recovery in order to make a fair and equitable recovery on behalf of the Corporation.

Upon the occurrence of a Recalculation, before the Board determines to seek recovery pursuant to this Policy, the Board shall provide to the relevant Executive Officer(s) written notice and the opportunity to be heard on the specific subject of the Recalculation, at a special meeting of the Board, called by the Chairman of the Board or the Corporate Secretary, for this specific matter.

In the event the Board determines to seek a recovery pursuant to this Policy, it shall make a written demand for repayment, on behalf of the Corporation, to the Executive Officer(s). Should the Executive Officer(s) not, within a reasonable period, tender repayment in response to such demand, the Board would then determine

that such Executive Officer(s) is (are) unlikely to do so, and therefore seek proper legal recourses against the Executive Officer(s) to secure such repayment.

The Board may also, in its sole discretion, cancel, withhold or otherwise take any other appropriate action to recoup, as applicable, any Incentive Compensation awarded or paid to the Executive Officer(s).

The recovery applies to both current Executive Officers and former Executive Officers if the Recalculation occurred within the last three (3) years ("**Recalculation Period**") and the Executive Officers were in office at the time of the event that caused the Recalculation. If the Recalculation applies to a historical period that is more than the Recalculation Period, then the recovery does not apply.

3. Definitions

For the purposes of this Policy, the following defined terms bear the meanings attributed to them:

"Annual Incentive Compensation" means all bonuses awarded to the Executive Officers with respect to a financial year;

"Executive Officer(s)" means any of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Chief Strategy Officer and their respective direct reports to the extent that such direct reports are managers of the Corporation classified as M4 and up under the MPT Classification of the Corporation (including any Executive Officer that cease to occupy any such function following the adoption of this Policy);

"Incentive Compensation" means the Annual Incentive Compensation and, as applicable, the Long Term Incentive Compensation;

"Long Term Incentive Compensation" means all cash-based and equity-based compensation awarded to the Executive Officers in direct relation to an event that would require a Recalculation.

4. Interpretation

The Board (or any committee of the Board as may be delegated to by the Board) is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. All references in this Policy to the Board shall also refer to any committee of the Board delegated by the Board to act on its behalf.

Nothing in this Policy in any way detracts from or limits any obligations that those subject to it have in law or pursuant to a management, employment, consulting or other agreement with the Corporation or any of its subsidiaries or affiliates. The remedies available under this Policy shall not be exhaustive and nothing herein shall preclude the Board from taking any disciplinary actions in respect of the acts or conduct of an Executive Officer as the Board deems appropriate in the circumstances, up to and including termination of employment, as well as any other remedies or recourses available to the Corporation.

5. Review

The Board shall review annually this Policy. This Policy may be supplemented or amended or restated by the Board from time to time.

Approved by the Board of Directors on May 12, 2021.