

# AQUAVENTURE HOLDINGS LIMITED

## Compensation Committee Charter

The board of directors (the “**Board**”) of AquaVenture Holdings Limited (the “**Company**”) has established the Compensation Committee (the “**Committee**”) and has adopted this Committee Charter (the “**Charter**”) for determination of the powers and duties of the Committee.

### **I. General Statement of Purpose**

The purpose of the Committee is to:

- Develop and implement compensation policies and plans that ensure the attraction and retention of key management personnel, the motivation of management to achieve the Company’s corporate goals and strategies, and the alignment of the interests of management with the long-term interests of the Company’s stockholders.
- Together with the Company’s other independent Directors, discharge the Board’s responsibilities relating to compensation of the Company’s Chief Executive Officer.
- Review and approve the compensation of all officers of the Company other than the CEO, the employee benefit plans in which they participate and approve the compensation of outside Directors. For purposes hereof the term “officer” has the meaning defined in Section 16 of the Exchange Act and Rule 16a-1 promulgated thereunder (together with the Chief Executive Officer, the “**Reviewed Officers**”).
- Assure that compensation programs are implemented according to the Company’s compensation philosophy as established by the Committee and that compensation actions are consistent with performance results, and aligned with the Company’s business strategy and the interests of its shareholders.
- Review the performance and succession plans related to the Company’s Reviewed Officers and exercise oversight over the management developmental actions for that group of managers identified by management as corporate monitored employees.
- Produce a report for inclusion in the Company’s proxy statement relating to its annual meeting of stockholders or annual report on Form 10-K, in accordance with applicable rules and regulations.

### **II. Membership**

The number of individuals serving on the Committee shall be fixed by the Board from time to time but shall consist of no fewer than two non-executive Board members.

Each of the Committee members shall be an “independent director” under the New York Stock Exchange’s Corporate Governance Standards, an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and a “Non-Employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended

(the “**Exchange Act**”).

The Chairperson of the Committee shall be appointed from among the Committee members by, and shall serve at the pleasure of, the Board, and shall have the authority to convene and chair meetings of the Committee, set agendas for meetings and determine the materials to be provided to the Committee by management or others in connection therewith. In the absence of the Chairperson at a duly convened meeting, the Committee shall select a temporary substitute from among its members.

The members of the Committee shall be appointed annually by the Board and shall serve until their successors shall be duly elected and qualified or until their earlier death, resignation, retirement, removal or disqualification. A Committee member shall be removed without further action of the Board if the member no longer satisfies the eligibility requirements for membership on the Committee set forth above. Resignation or removal of the Director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from this Committee. A Committee member may otherwise be removed or replaced by a vote of the Board at any time, with or without cause. Vacancies occurring, for whatever reason, may be filled by the Board.

### **III. Responsibilities**

The responsibilities of the Committee are:

In relation to compensation of the Chief Executive Officer and Reviewed Officers:

- Establish and oversee the Company’s executive compensation policies, including those relating to pay and performance, targeted pay positioning, peer groups for benchmarking, pay mix and stock ownership. Review management’s assessment of the Company’s compensation policies and practices for the Company’s employees and provide input to management on whether risks arising from such policies and practices are reasonably likely to have a material adverse effect on the Company.
- Together with the Company’s other non-executive independent Directors review and approve corporate goals and objectives relevant to the Chief Executive Officer’s compensation. Evaluate the Chief Executive Officer’s performance in light of those goals and objectives. Recommend to the non-executive independent Directors compensation for the Chief Executive Officer. And, then together with the Company’s other non-executive independent Directors, determine and approve, for the Chief Executive Officer, any employment agreement and compensation, including, without limitation, base salary, short- and long-term incentive compensation and compensation under equity-based plans, based on the Committee’s evaluation of the Chief Executive Officer’s performance. The Chief Executive Officer may not be present during voting or deliberations concerning his or her compensation.
- Review and approve the list of Reviewed Officers as designated by the Chief Executive Officer. Review and approve the base salaries, short- and long-term incentive compensation, compensation under equity-based plans and any employment agreements for the Reviewed Officers.
- Review and approve change-in-control agreements and severance agreements and any other arrangements applicable to termination or retirement of the Chief Executive Officer or any Reviewed Officer.

- Review and approve personal benefits and other non-cash compensation for the Chief Executive Officer and the Reviewed Officers.
- Review and discuss with management the section of the Company's proxy statement for its Annual Meeting of Shareholders and Annual Report on Form 10-K captioned "Compensation Discussion and Analysis," and, on the basis of that review and discussion, recommend to the Board that that section be included in the Company's Annual Report on Form 10-K and the Company's proxy statement for its Annual Meeting of Shareholders.
- Provide such reports in the proxy statements of the Company as are required of the Committee by applicable law or exchange regulation (including, without limitation, pursuant to Item 407(e)(5) of Regulation S-K promulgated under the Exchange Act).
- Review the results of the Company's shareholders' advisory vote on executive compensation. Determine what, if any, actions or policy recommendation are warranted based on the advisory vote and other feedback from shareholders. Make recommendations on how frequently the Company should provide its shareholders with such an advisory vote.

In relation to employee benefit plans:

- Make recommendations to the Board with respect to new incentive-compensation and equity-based plans or amendments to any such existing plans.
- Review employee benefit programs and proposals for adoption, amendment or termination of the Company's principal pension and welfare plans.
- Appoint an administrative committee or committees for the Company's principal pension and welfare plans.
- Assist the Board in fulfilling its oversight responsibilities with respect to the employee benefit plans except with respect to the plans' investments.
- As required, recommend actions to the Board.

In relation to the compensation of Directors:

- Recommend to the Board the compensation arrangements for non-executive independent Directors and deferred compensation plans for non-executive independent and other non-employee Directors.

In relation to the alignment of the compensation philosophy to the business strategy:

- Review and approve compensation plan designs based on factors including: alignment to the business strategy, Company performance, relative shareholder return, competitive market information of comparable companies, individual performance, past awards and time in job.
- Review plan design with external advisers.

In relation to performance, succession and management development:

- Review the progress of and management's process regarding the performance and the succession of the Company's Reviewed Officers.
- Review the implementation of developmental actions for that group of managers

identified by management as corporate monitored employees.

#### **IV. Structure and Operation**

##### Meetings:

- The Committee shall meet at least three times a year and at such other times as the Chairman of the Committee deems advisable. Meetings may be in person or by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other.
- A majority of the members of the Committee shall constitute a quorum for purposes of holding a meeting and the Committee may act by a vote of a majority of members present at such meeting.
- In lieu of a meeting, the Committee may act by unanimous written consent in accordance with the Company's Articles of Association and Bylaws.
- The Committee shall meet in executive session without the presence of management as often as it deems appropriate.
- The Chairman of the Committee, in consultation with the other members and management, may set meeting agendas consistent with this Charter.
- The Chairman of the Committee shall report to the Board, at each meeting of the Board following a meeting of the Committee, on the matters considered by the Committee.

##### Review of Charter and Evaluation of the Committee:

- The Committee shall conduct an annual evaluation of its performance and report the conclusions to the full Board.
- The Committee shall review and assess the adequacy of this Charter on an annual basis and submit any proposed changes to the Board for approval.
- The Company shall make available a copy of this Charter on the Company's website.
- The Committee shall review and reassess periodically (and where appropriate, make such recommendations to the Board as the Committee deems advisable with regard to) the Company's processes and procedures for the consideration and determination of compensation, and review and discuss with management any description of such processes and procedures to be included in the Company's proxy statement.

#### **V. Resources and Advisers**

- The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser.
- The Company shall provide for appropriate funding, as determined by the Committee, for the payment of reasonable compensation and expenses to any compensation consultant, independent legal counsel or other adviser retained by

the Committee.

- The Committee may select a compensation consultant, independent legal counsel or other adviser to the Committee only after taking into consideration, all factors relevant to that person's independence from management, including the following adviser (except where the compensation consultant, independent legal counsel or other adviser is (1) in-house legal counsel or (2) any compensation consultant, legal counsel or other adviser whose role is limited to the following activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K: (i) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees or (ii) providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the compensation consultant, legal counsel or other adviser and about which the compensation consultant, legal counsel or other adviser does not provide advice):
  - the provision of other services to the Company by the person that employs the compensation consultant, independent legal counsel or other adviser;
  - the amount of fees received from the Company by the person that employs the compensation consultant, independent legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, independent legal counsel or other adviser;
  - the policies and procedures of the person that employs the compensation consultant, independent legal counsel or other adviser that are designed to prevent conflicts of interest;
  - any business or personal relationship of the compensation consultant, independent legal counsel or other adviser with a member of the Committee;
  - any stock of the Company owned by the compensation consultant, independent legal counsel or other adviser; and
  - any business or personal relationship of the compensation consultant, independent legal counsel or other adviser or the person employing the adviser with an executive officer of the Company.
- The Committee shall analyze the independence of any compensation consultant, independent legal counsel or other adviser that provides advice to the Committee, other than in-house legal counsel, at least annually and such analysis shall include consideration of the preceding six factors.
- The Committee shall have the sole authority to retain and terminate compensation consultants, independent legal counsel or other advisers selected by the Committee and to approve the fees and other retention terms of such compensation consultants, independent legal counsel or other advisers. The Committee shall be directly responsible for oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by the Committee.
- Nothing in this Charter under the heading "Resources and Advisers" shall be construed: (A) to require the Committee to implement or act on any advice or

recommendations of any compensation consultant, independent legal counsel or other adviser to the Committee; or (B) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of the duties of the Committee.

## **VI. General**

- The Committee may establish and delegate authority to one or more subcommittees consisting of one or more of its members, when the Committee deems it appropriate to do so in order to carry out its responsibilities.
- The Committee shall make regular reports to the Board concerning areas of the Committee's responsibility.
- In carrying out its responsibilities, the Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and such experts, advisors and professionals with whom the Committee may consult. The Committee shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Compensation or meet with any members of or advisors to the Committee.
- The Committee may perform such other functions as may be requested by the Board from time to time.
- The Committee will maintain written minutes or other records of its meetings and activities. Minutes of each meeting will be distributed to each member of the Committee, and the Secretary of the Company will retain the original signed minutes for filing with the corporate records of the Company.

Nothing contained in this Charter is intended to alter or impair the right of the members of the Committee to rely, in discharging its oversight role, on the records of the Company and on other information presented to the Committee, the Board or the Company by its officers or employees or by outside experts.

ADOPTED: October 5, 2016, subject to the effectiveness of the Company's Registration Statement on Form S-1.