



HYDROGRAPH

Charter of the Compensation and Nomination Committee

1. Purpose. The Compensation and Nomination Committee (the “**Committee**”) is a standing committee of the Board of Directors (the “**Board**”) of HydroGraph Clean Power Inc. (the “**Company**”). Its purpose is to carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation of the Company and the director nominations process.

2. Membership. The Committee shall consist of three or more directors. A majority of the Committee shall be independent in accordance with National Policy 58-201 - *Corporate Governance Guidelines*, unless otherwise permitted under applicable securities laws.

2.1 The Board shall appoint members of the Committee based on the nomination committee's recommendations. The members of the Committee shall be appointed for one-year terms or such other terms as the Board may determine and shall serve until a successor is duly appointed by the Board or until the member's earlier death, resignation, disqualification or removal. The Board may remove any member from the Committee at any time with or without cause. The Board shall fill Committee member vacancies by appointing a member from the Board. If a vacancy on the Committee exists, the remaining members shall exercise all of the Committee's powers so long as a quorum exists.

2.2 A quorum for decisions of the Committee shall be a majority of Committee members.

2.3 The Board shall appoint a chair of the Committee (the “**Chair**”) from the Committee members. Subject to Section 2.1, the Board shall determine the Chair's term of office.

3. Duties and Responsibilities. The Committee shall have the following duties and responsibilities:

3.1 Review and approve annually the corporate goals and objectives applicable to the compensation of the chief executive officer (the “**CEO**”); evaluate at least annually the CEO's performance in light of those goals and objectives; and determine and approve/make recommendations to the Board with respect to the CEO's compensation level (both cash and equity based) based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee may consider the Company's performance, shareholder returns, the value of similar incentive awards given to CEOs at comparable companies and the awards given to the Company's CEO in past years.

3.2 Make recommendations to the Board regarding the compensation of all other executive officers and the directors.

3.3 Review, and make recommendations to the Board regarding and, when appropriate, recommend to the Board for approval, incentive compensation plans and equity-based plans; and where appropriate or required, recommend for approval by the shareholders of the Company, which includes the ability to adopt, amend and terminate such plans. The Committee shall also have the authority to administer the Company's incentive compensation plans and equity-based plans, including designation of the personnel to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan and applicable law.

3.4 Review and discuss with management the Company's executive compensation disclosure to be included in the Company's management information circular and any other disclosure with respect to executive compensation to be included in any other public disclosure documents of the Company.

3.5 Review, and make recommendations to the Board regarding and, when appropriate, recommend to the Board for approval, any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the CEO and other executive officers, which includes the ability to adopt, amend and terminate such agreements, arrangements or plans.

3.6 Review, and make recommendations to the Board regarding and, when appropriate, recommend to the Board for approval, all employee benefit plans for the Company, which includes the ability to adopt, amend and terminate such plans.

3.7 Review the Company's incentive compensation policies and practices to determine whether they involve risks that are reasonably likely to have a material adverse effect on the Company; review and discuss at least annually the relationship between risk management policies and practices and compensation; and evaluate compensation policies and practices that could mitigate any such risk.

3.8 Determine the qualifications, qualities, skills and other expertise required to be a director of the Company; and develop, and recommend to the Board for its approval, criteria to be considered in selecting nominees for director (the “**Director Criteria**”). In developing Director Criteria, the Committee should consider:

- (a) the competencies and skills that the Board as a whole should possess;
- (b) the competencies and skills that each existing director possesses;
- (c) the personality and other qualities of each director and how these affect boardroom dynamics; and
- (d) the appropriate size of the Board for facilitating effective decision making.

3.9 Identify and screen individuals qualified to become members of the Board, consistent with the Director Criteria and make recommendations to the Board. In making its recommendations for nominees, the Committee should consider:

- (a) the competencies and skills that the Board as a whole should possess;
- (b) the competencies and skills of each existing director;
- (c) the competencies and skills of each new nominee;
- (d) whether the new nominee can devote sufficient time and resources to his or her duties as a director; and
- (e) the diversity of the board composition, including gender considerations.

3.10 Consider any director candidates recommended by the Company's shareholders under the procedures set forth in the *Business Corporations Act* (British Columbia) and the Company's articles and described in the Company's management information circular.

3.11 If a vacancy on the Board or any Board committee occurs, identify and make recommendations to the Board regarding the selection and approval of candidates to fill such vacancy either by election by shareholders or appointment by the Board.

3.12 Report to the Board on the activities of the Committee, including any decisions and action taken by the Committee.

3.13 Perform any other activities as are consistent with this Charter, the Company's by-laws, applicable legislation, guidelines and practices as the Committee or the Board deems necessary or appropriate for the fulfilment of the Committee's duties and responsibilities.

4. Outside Advisors.

4.1 The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the compensation consultant.

4.2 The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside legal counsel and other advisors.

4.3 The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside legal counsel and any other advisors.

4.4 The compensation consultant(s), outside counsel and any other advisors retained by, or providing advice to, the Committee (other than the Company's in-house counsel) shall be independent as determined in the discretion of the Committee after considering the following factors:

- (a) provision of other services to the Company by the person that employs the consultant, counsel or other advisor;

- (b) the amount of fees paid by the Company to the person that employs the consultant, counsel or other advisor, as a percentage of that person's total revenue;
- (c) policies and procedures of the person that employs the consultant, counsel or other advisor that are designed to prevent conflicts of interest;
- (d) any business or personal relationship between the consultant, counsel or other advisor and any member of the Committee;
- (e) ownership by the consultant, counsel or other advisor of the Company's shares; and
- (f) any business or personal relationship between the consultant, counsel or other advisor, or the person employing the advisor, and any executive officer of the Company.

4.5 The Committee may retain, or receive advice from, any compensation advisor that it may prefer, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favour of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.

4.6 The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest. The Committee must pre-approve any services to be provided to the Company, its affiliates or its directors or management by a compensation consultant that has been retained by the Committee.

5. Structure and Operations.

5.1 The Committee shall meet at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), resolutions in writing in lieu of a meeting, notice, waiver of notice and voting requirements as are applicable to the Board.

5.2 A meeting of the Committee may be convened by the Board or any member of the Committee who requests a meeting. Notice of every meeting shall be given to each member of the Committee.

5.3 The Committee may invite such directors, officers and employees of the Company to its meetings as it deems appropriate to assist the Committee with the fulfillment of its duties and responsibilities. However, the Committee shall meet regularly without such members present.

5.4 At each meeting, the Committee may appoint an individual to act as secretary for the meeting (the “**Secretary**”). The Secretary shall circulate the minutes of meetings of the Committee to members of the Committee.

5.5 The Committee shall approve and retain minutes of all Committee meetings. The powers of the Committee may be exercised by written resolution signed by all the members of the Committee.

5.6 The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

6. Delegation of Authority. The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

7. Performance Evaluation. The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

8. No Rights Created. This Charter is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While this Charter should comply with all applicable laws, regulations and listing requirements and the Company's articles and by-laws, this Charter does not create any legally binding obligations on the Committee, the Board or the Company.