

**COMPENSATION COMMITTEE CHARTER  
OF  
AQUABOUNTY TECHNOLOGIES, INC.**

**(Adopted April 15, 2014)**

**Purpose**

The purpose of the Compensation Committee (the “Committee”) is to discharge the responsibilities of the Board of Directors (the “Board”) of AquaBounty Technologies, Inc. (the “Company”) with respect to compensation of the Company’s executive officers; oversee the aggregate compensation of the Company’s employees generally, including with respect to equity awards and other long-term incentives; and produce any annual report on executive compensation that the rules and regulations of the Securities and Exchange Commission (the “SEC”) require to be included or incorporated by reference into the Company’s Annual Report on Form 10-K and proxy statement.

**Membership**

The Board shall appoint a Committee of no less than two members and select a Committee Chair from among the Committee members. Each Committee member is nominated by the Nominating and Corporate Governance Committee, approved by the Board, serves at the pleasure of the Board, may be removed by the Board at any time and is subject to annual reconfirmation by the Board.

Each Committee member (or each member of a designated sub-committee thereof consisting of two or more members) must satisfy the applicable independence requirements set forth by the Nasdaq Stock Market (“NASDAQ”) and applicable law; *provided, however*, that the Company may avail itself of the exemption provided to “controlled companies” from the requirement under the NASDAQ listing rules that each member of the Committee qualify as “independent” for such time that the Company qualifies as a “controlled company” under the NASDAQ listing rules, as well as any related phase-in period provided thereunder if the Company ceases to be a “controlled company.”

It is expected that each member of the Committee will be (i) a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code and the regulations and guidance promulgated thereunder; *provided, however*, that, pursuant to the exemption provided under Treasury Regulation Section 1.162-27(f) for a corporation that was not a publicly held corporation and then becomes a publicly held corporation, for such time as the Company may avail itself of the “reliance period” under such Treasury Regulation with respect to remuneration paid pursuant to a compensation plan or agreement that existed during the period in which the corporation was not publicly held, the Committee (or the designated subcommittee thereof) shall not be required to consist solely of two or more “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code and the regulations and guidance promulgated thereunder.

## Authority and Responsibilities

The Committee has the following authority and responsibilities:

1. Review and approve, on an annual basis, corporate goals and objectives relevant to the compensation of the Chief Executive Officer (the “CEO”) and other executive officers.
2. Evaluate the CEO’s performance in light of such goals and objectives and set the compensation, including salary, bonus, perquisites, benefit plans, and incentive compensation for the CEO based on this evaluation.
3. Review and approve, on an annual basis, the evaluation process and compensation structure for the Company’s other executive officers, evaluate the performance of the Company’s other executive officers, and approve the annual compensation levels, including salary, bonus, perquisites, benefit plans, and incentive compensation, for such executive officers based on these evaluations.
4. Review the Company’s equity-based compensation plans generally and recommend changes to such plans to the Board as needed.
5. Recommend awards under the Company’s equity incentive plans to the Board for all employees.
6. Review the annual bonus pool for employees other than executive officers, to be administered by the CEO, as part of the budget process.
7. Review and recommend to the Board the design, adoption, amendment, and modification of all equity-based plans. The Board will approve such plans unless such plan requires shareholder approval, in which case shareholder approval will be obtained.
8. Approve such reports on compensation as are necessary for furnishing to or filing with the SEC and other government bodies (as necessary, in conjunction with the a committee of the Board composed entirely of “independent directors,” which may be responsible for approval of any equity grants requiring “disinterested administration” under Rule 16b-3 under the Securities Exchange Act of 1934), including:
  - (a) Reviewing and discussing with management any Compensation Discussion and Analysis prepared by management for inclusion, or incorporation by reference, in the Company’s Annual Report on Form 10-K and proxy statement;
  - (b) Recommending, based upon that review and discussion, whether any Compensation Discussion and Analysis be included, or incorporated by reference, in the Company’s Annual Report on Form 10-K and proxy statement; and

- (c) Preparing the Committee's Report on Executive Compensation if required to be furnished to the SEC and included, or incorporated by reference, in the Company's Annual Report on Form 10-K.
- 9. In accordance with the Company's Corporate Governance Guidelines, the Committee will periodically review director compensation in relation to other comparable companies and in the light of such other factors as the Committee may deem appropriate. The Committee will discuss this review with the Board.
- 10. Obtain assistance from members of management as the Committee deems appropriate in the exercise of its authority.
- 11. At least annually, make reports and recommendations to the Board within the scope of its functions, and periodically update the Board on major items covered at each Committee meeting.
- 12. At least annually (a) review this Charter with the Board and recommend any changes to the Board and (b) evaluate its own performance against the requirements of this Charter and report the results of this evaluation to the Board. The evaluation will include establishment of the goals and objectives of the Committee for the upcoming year. The Committee will conduct its review and evaluation in such manner as it deems appropriate.
- 13. In consultation with management, establish, review, and evaluate the long-term strategy of employee compensation and the types of equity and other long-term compensation plans used by the Company. Review periodic reports from management on matters relating to the Company's compensation practices and on aggregate compensation and programs below the executive officer level.
- 14. Review and approve any policies or practices related to severance or similar termination payments proposed to be made to any current or former executive officer of the Company.
- 15. Review and approve any proposed employment agreement with, and any proposed severance or retention plans or other termination payments proposed to be made to, any current or former executive officer, except for any such payment made in accordance with a plan or agreement previously approved by the Board or the Committee.
- 16. In consultation with appropriate officers of the Company, oversee regulatory compliance with respect to compensation matters, including overseeing any compensation programs intended to preserve tax deductibility, and, as may be required, establishing performance goals and determining whether performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
- 17. Perform any other activities delegated to the Committee by the Board or that are consistent with this Charter, the Company's By-laws, or applicable law.

## **Meetings**

The Committee will meet in person or telephonically at least two times per year, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or appropriate by the Committee or the Committee Chair. The Committee Chair or a majority of the Committee members may call a meeting of the Committee at any time. Except as otherwise provided by law, the presence of a majority of the then-appointed members of the Committee will constitute a quorum for the transaction of business, and, in every case where a quorum is present, the affirmative vote of a majority of the members of the Committee present will be the act of the Committee. The Committee may invite the CEO, Chairman of the Board, Secretary, Chief Financial Officer, or any other officer desired by the Committee or its Chairman. No such person may be present during any discussions and deliberations of the Committee regarding the compensation of any such person. Minutes will be kept of each meeting of the Committee.

## **Resources and Authority**

The Committee will have the resources and authority (including funding from the Company) necessary and appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management. The Committee may, at its discretion, also review the choice of any consultants or other experts recommended by management for the purpose of reviewing executive Company compensation. Authority to select, retain, terminate, and approve the fees and other retention terms of any compensation consultants retained to assist in the evaluation of director, CEO, or executive officer compensation will be vested solely in the Committee. The Committee shall evaluate whether any compensation consultant retained or to be retained has any conflict of interest in accordance with Item 407(e)(3) of Regulation S-K. The Committee, when retaining any adviser, shall assess the independence of such adviser in accordance with applicable law or NASDAQ listing rules. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee. However, in delegating authority, it will not absolve itself from the responsibilities it bears under the terms of this Charter.