

ESSENTIAL UTILITIES, INC.
Risk Mitigation and Investment Policy Committee
Committee Charter

Committee Purpose:

To assist the Board of Directors in fulfilling its oversight responsibilities with respect to the Corporation's risk management practices, including its investments, and the Corporation's compliance with legal and regulatory requirements. To ensure that management has identified and assessed all risks that the Corporation faces. To oversee the division of risk-related responsibilities to each board committee and monitor risks not monitored by other board committees. To approve, in conjunction with the Board of Directors, the Corporation's risk management framework and investment process.

The Committee shall communicate with other board committees to avoid overlap as well as potential gaps in overseeing the Corporation's risks.

Risk assessment and risk management are the responsibility of the Corporation's management. The Committee's role is to assist the Board of Directors in its oversight of enterprise risk management of the Corporation and its subsidiaries and affiliates.

Monitoring of financial risks and risks relating to the Corporation's financial statements and fraud shall be the responsibility of the Audit Committee. Monitoring of risks that may be presented by the structure of the Corporation's compensation programs and metrics used to determine individual compensation under such programs shall be the responsibility of the Executive Compensation Committee.

Committee Duties and Responsibilities:

1. Oversee the Corporation's process, policies and procedures for identifying, managing and monitoring critical risks; and periodically evaluate, assess and amend, as needed, such process, policies and procedures as the business environment of the Corporation and its subsidiaries changes. Review and approve any new risk management framework and policies.
2. Identify and monitor the Corporation's ongoing and potential exposure to risks of various types.
3. Oversee management's monitoring and mitigation of identified risks.
4. Provide timely input to executive management on critical risk issues.
5. Engage management in discussions regarding risk appetite as conditions and circumstances change and new opportunities arise.
6. Oversee the conduct of, and review the results of, enterprise-wide risk assessments, including the identification and reporting of critical enterprise risks.

7. Oversee the management of certain risks having the complexity and significance to warrant the attention of the Committee, including environmental, health and safety and technology risks.
8. Promote a “tone at the top” environment to encourage the evaluation of risk management processes and avoid inappropriate risk-taking.
9. Coordinate with the Audit Committee and the Executive Compensation Committee on monitoring risks delegated to each Committee.
10. Together with the Board of Directors, review reports provided by management with respect to cybersecurity risk assessment and security measures and ensure that the Corporation is devoting the appropriate amount of resources to ensure that the risk of a cybersecurity breach is mitigated and that there is a clear response plan in the event of a breach.
11. Report and make recommendations to the Board of Directors regarding risks and risk management.
12. Review legal and regulatory matters with the Corporation’s counsel.
13. Oversee the Corporation’s response to any non-financial or fraud related whistleblower complaints under any corporate policy, other than those policies or types of complaints delegated to the Audit Committee of the Board of Directors.
14. Review the Corporation’s policies relating to compliance with laws and regulations, ethics and conflicts of interest and the investigation of non-financial related misconduct, other than those policies delegated to the Audit Committee of the Board of Directors.
15. Review current and pending litigation or regulatory proceedings in which the Corporation is a party bearing on corporate governance as presented by the Corporation’s General Counsel.
16. Provide leadership of any investigation of risk-related concerns other than those specifically delegated by the Board of Directors to other committees of the Board.
17. Review and reassess this Committee Charter as necessary, but no less frequently than annually and propose to the Corporate Governance Committee of the Board of Directors any recommended changes.
18. Review the Corporation’s investment process and framework.

Committee Member Qualification:

The Committee may include both independent and non-independent directors and management. A director shall qualify as independent if the Board of Directors has affirmatively determined that the director is independent, consistent with the independence criteria set forth in the Corporation’s Corporate Governance Guidelines.

Committee Member Appointment and Removal:

Committee members will be appointed annually by the Board of Directors. Committee members may be removed from membership on the Committee by the Board of Directors at any time, with or without cause.

Committee Structure and Operations:

Each year the Board of Directors, upon the nomination of the Corporate Governance Committee, will appoint a Committee Chairperson for the Committee. If a Committee Chairperson is not designated or present, the members of the Committee may designate a Chairperson by majority vote of the Committee membership.

The Committee shall meet at least four times, or more frequently as circumstances dictate. The Chairman and/or a delegated authority may call a meeting to order. The Committee Chairperson shall prepare and/or approve and circulate an agenda in advance of each meeting. The Committee should conduct separate private meetings in executive session at least annually to discuss any matters that the Committee believes should be discussed. The Committee may act at a meeting or by unanimous written consent.

Committee Reporting to the Board:

The Committee shall cause minutes to be kept of each of its meetings, which will be reviewed and approved by the Chairperson of the Committee. Copies of the minutes of each meeting of the Committee will be provided to the Board of Directors, and the Chairperson or his or her designee will report on each meeting of the Committee to the Board of Directors at the next meeting of the Board of Directors following the meeting of the Committee.

Last Revised: February 3, 2020