

THE PURE CYCLE CORPORATION ENVIRONMENTAL SUSTAINABILITY COMMITTEE CHARTER

I. PURPOSE OF THE COMMITTEE

The Environmental Sustainability Committee (ESC) of Pure Cycle Corporation assists the Board in the oversight and review of (i) employee and public environmental safety, (ii) environmental policies and practices, including without limitation, water quality and emerging contaminants, (iii) regulation of environmental policies of our suppliers, and (iv) operational performance and environmental risks to the Company.

II. STRUCTURE AND OPERATIONS

Composition and Qualifications

The Committee consists of at least three members one of which shall be from senior management of the Company, and one of which shall be from water and/or wastewater operations.

Appointment and Removal

Each member of the Committee shall be appointed by the President from among its members, after considering nominations from any member. Each member shall serve until such member's successor is duly elected and qualified or until such member's earlier death, resignation or removal. The actual number of members shall be determined year to year by the President, however, there shall be no fewer than three members.

Chairman/Secretary

The Committee shall designate a chairman of the Committee from among its members. The Committee Chairman will regularly convene meetings, preside at, and prepare or oversee the preparation of an agenda for each Committee meeting. The Committee Chairman shall appoint a secretary (who need not be a member of the Committee) to take written minutes of the meetings. In the absence of the Committee Chairman during any Committee meeting, the Committee Chairman may designate another member to serve as chairman.

III. MEETINGS

The Committee will meet quarterly, and additionally as it deems necessary or appropriate to carry out its duties and responsibilities. The Chair of the Committee or any two members of the Committee may call

meetings of the Committee. Each meeting of the Committee may be held telephonically. At least a majority of members constitute a quorum and a quorum is required for the transaction of all business. The Committee shall act only on the affirmative vote of a majority of its members at a meeting or by unanimous written consent. All Board of Directors who are not members of the Committee may attend meetings of the Committee and participate in the business of the Committee but may not vote. Additionally, the Committee may invite to its meetings any director, member of management, employees of the Company, and such other persons as it deems appropriate in order to carry out its responsibilities. However, the Committee may exclude from its meetings any persons (other than a member of the Committee) it deems appropriate in order to carry out its responsibilities.

IV. RESPONSIBILITIES AND DUTIES

The following functions are the recurring activities of the Committee in carrying out its responsibilities. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board that are related to the purposes of the Committee.

Safety Matters

1. Oversee significant policies, practices and performance with respect to providing a healthy and safe environment for employees, customers, contractors, communities and the public.
2. Review and monitor planning issues of interest of the Company as determined by the Committee, including (i) matters before safety regulatory agencies, (ii) compliance with safety laws and regulations, and (iii) safety performance in regard to the Company metrics.

Environmental Matters

1. Review and monitor (i) significant environmental strategies, (ii) policy and planning issues of interest to the Company as determined by the Committee, including matters before environmental regulatory agencies, (iii) compliance with environmental laws and regulations, and (iv) environmental performance in regard to Company metrics.
2. Oversee programs and policies with respect to protecting the environment, including the Company's sustainable efforts with respect to water conservation, climate change, emerging contaminants and greenhouse emissions.

V. REPORT RESPONSIBILITIES

The Committee shall report regularly to the President and Board (i) the matters discussed at regular or special meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate, and each such report to the President and Board in clauses (i) through (iii) may take the form of an oral report by the Committee Chairman or any other member of the Committee designated by the Committee to make such a report.

VI. ANNUAL PERFORMANCE EVALUATION

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the President any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

VII. RESOURCES AND AUTHORITY OF THE COMMITTEE

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company. The Committee also has the authority to (i) retain outside advisors, including legal counsel, as it deems appropriate in its sole discretion, (ii) approve the fees and expenses of such advisors and (iii) incur such other ordinary administration expenses as are necessary or appropriate in carrying out its duties.

VIII. DATE OF ADOPTION

This Charter was adopted by the Board effective June 24, 2019.