

AMERICAN WATER WORKS COMPANY, INC.

SAFETY, ENVIRONMENTAL, TECHNOLOGY AND OPERATIONS COMMITTEE

OF THE BOARD OF DIRECTORS

CHARTER

I. PURPOSE OF THE COMMITTEE

The Safety, Environmental, Technology and Operations (SETO) Committee (the “Committee”) of the Board of Directors (the “Board”) of American Water Works Company, Inc. (the “Company”) assists the Board in the oversight and review of (i) employee and public safety, (ii) environmental policies and practices, including without limitation, with respect to water quality and emerging contaminants, (iii) technology policy, strategy and governance, including physical and cyber security issues related to the Company’s operations, and (iv) operational performance and risks (other than risks covered by another committee of the Board).

II. STRUCTURE AND OPERATIONS

Composition and Qualifications

The Committee consists of at least three members of the Board and each member of the Committee may, but is not required to, be independent, as determined in accordance with the rules of the New York Stock Exchange and the Board’s Corporate Governance Guidelines.

Appointment and Removal

Each member of the Committee shall be appointed by the Board from among its members, after considering the recommendation of the Nominating/Corporate Governance Committee of the Board, and 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 from time to time by resolution of the Board, but shall be no fewer than three.

Chairman/Secretary

The Board shall designate a chairman of the Committee from among its members, after considering the recommendation of the Nominating/Corporate Governance Committee of the Board. 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 or the Chairman of the Board may designate another member to serve as chairman.

III. MEETINGS

The Committee will meet at least 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. Notice of a meeting of the Committee shall be made by means consistent with the provisions of the Amended and Restated Bylaws of the Company. The Committee shall act only on the affirmative vote of a majority of its members at a meeting or by unanimous written consent. All 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 outlined in Section I of this Charter. 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 outlined in Section I of this Charter.

The Committee shall:

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 regards to the Company metrics;

Environmental Matters

3. 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 regards to Company metrics;

4. 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;

Technology and Security

5. Review technology strategies, policies and issues of interest to the Company (other than the review of internal controls with respect to information and technology systems, security management systems and cybersecurity), including matters involving the customer experience, business alignment with the strategic technology plan, governance related to the oversight of the technology strategy, and reporting of major technology projects;
6. Review physical and cyber security threat assessments, emerging issues and related Company initiatives, and coordinate with the Board's Audit, Finance and Risk Committee, as appropriate, on matters related to cybersecurity risk;

Operations

7. Review matters pertaining to the performance of the Company's operations, including key performance indicator results and trends and other significant operational matters;
8. Review and monitor operational risk exposure and risk mitigation strategies (other than director's and officer's liability insurance matters), with the Board's Audit, Finance and Risk Committee;
9. Review management's processes for assessing business continuity risks and developing related contingency planning, including preparedness in conjunction with emergency responders, public and employee safety during critical events, plans for restoration of service, back-up for key facilities and supply sources, incident command structure, communications plans, and back-up plans for critical administrative and operating infrastructure and systems; and
10. Review the policies and practices relating to public policy issues affecting business operations, material financial performance or public image of the Company.

Notwithstanding the foregoing, the Committee shall not have any authority or responsibility with respect to:

- (i) the oversight of policies with respect to (A) risk assessment and risk management, (B) the Company's major financial risk exposures and (C) the steps management has taken to monitor and control these exposures; or
- (ii) risks that are subject to review and monitoring by the Audit, Finance and Risk Committee, the Executive Development and Compensation Committee or the Nominating/Corporate Governance Committee under the rules of the New York Stock Exchange.

V. REPORT RESPONSIBILITIES

The Committee shall report regularly to the 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 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 Board 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. DISCLOSURE OF CHARTER

This Charter may, but is not required to, be made available on the Company's website.

IX. DATE OF ADOPTION

This Charter was adopted by the Board effective April 19, 2018.