

## Governance Committee Charter

### A. POLICY

It is the policy of the St. Lucia Electricity Services Limited (the “Company”) to establish a Governance Committee (the “Committee”).

### B OBJECTIVE

The objective of this policy is to assist the Board, through its Governance Committee, to effectively discharge its responsibilities for establishing and maintaining world class corporate governance practices within the Company through the development and monitoring of corporate governance policies and materials, the evaluation of the performance of the Board, its Committees and Directors, and generally shaping a set of corporate governance principles applicable to the Company.

### C. PURPOSE AND FUNCTION

The Committee is appointed by the Board of Directors of the Company (the “Board”) to:

1. Take a leadership role in shaping the corporate governance of the Company with a view to establishing the best practices and standards of corporate governance.
2. Make recommendations to the Board on matters related to improvements in the process of governance, and changes in the Company's corporate governance principles.
3. Develop and update as necessary corporate governance policies applicable to the Company.
4. Oversee all aspects of the Company's corporate governance functions on behalf of the Board.
5. Institute a plan or programme for the continuing education of Directors as appropriate.
6. Establish guidelines regarding the composition and responsibilities of Board committees.
7. Recommend members of the Board to serve on the committees of the Board, giving consideration to the criteria for service on each committee as may be set forth in the charter for such committee, as well as to any other factors the Committee deems relevant.
8. Establish, monitor and recommend the purpose, structure and operations of the various committees of the Board, the qualifications and criteria for membership on each committee of the Board and, as circumstances dictate, make recommendations regarding periodic rotation of directors among the committees.
9. Periodically review the charter and composition of each committee of the Board to ensure that they reflect a commitment to effective governance.
10. Make recommendations to the Board for the creation of additional committees or the elimination of Board committees.
11. Establish procedures for the Committee to exercise oversight of the evaluation of the Board.
12. Establish and direct the process of assessing the performance of the Board, its Committees and individual Directors.
13. Develop guidelines on the criteria for the selection of directors including criteria for the selection of

nominees submitted by minority shareholders.

14. Make nominations and recommendations on behalf of minority shareholders concerning new director candidates in view of pending additions, resignations or retirements.
15. Develop a programme for the orientation of new directors to the Company.
16. Make recommendations to the Board of Directors on matters of Board policies and practices, including policies on director service and tenure.
17. Periodically review the Company's By-Laws and, if appropriate recommend to the Board any changes to those By-Laws the Committee believes to be desirable.
18. Periodically review the Company's Code of Ethics of and, if appropriate recommend to the Board any changes to that Code.
19. Consider questions of independence and possible conflicts of interest of Members of the Board and Executive Management.
20. Oversee the operations of the LUCELEC Trust Company Inc. and make periodic reports and recommendations to the Board of the Company
21. Periodically review the Company's Corporate Citizenship Policy for consistency with the Company's best interests, goals and legal requirements and make periodic reports and recommendations to the Board.
22. Monitor and oversee the external image and reputation of the Company and make recommendations to the Board
23. Oversee stakeholder relations (excluding employee related matters).
24. Such other matters that may be properly referred to the Committee by the Board of Directors, pursuant to legislation or the Company's Code of Ethics.

#### **C. COMPOSITION AND TENURE**

The Committee shall comprise of non-executive Directors only. The minimum membership shall be four non-executive Directors of the Company who shall be elected annually by the Board preferably at the first Board meeting following the Company's Annual Shareholders Meeting. The Board of Directors shall elect a Chairman from among those elected to serve on the Committee. In the absence of the Chairman at a meeting those present shall choose from among themselves a Chairman for the said meeting.

The Company Secretary or in his or her absence the nominee of the Managing Director shall act as coordinator of the Committee meeting and such coordinator shall be responsible for providing secretarial services, inclusive of the recording of the Committee minutes. The Chairman of the Board shall have a right to attend and be heard at the meetings of the Committee.

#### **D. QUORUM**

A majority of the Committee shall constitute a quorum.

#### **E. MEETINGS AND REPORTING**

The Committee shall meet as and when necessary. Approved minutes of each meeting shall be kept and distributed to each member of the Committee. Members of the Board who are not members of the Committee shall receive copies of the draft Minutes of the Committee with their quarterly Board papers and approved copies upon request. At each regular meeting of the Board, or whenever so requested by the Board the Committee shall report to the full Board of Directors all of its material activities.

The Committee shall conduct an annual performance evaluation. This evaluation shall examine the performance of the Committee in relation to the requirements of this Charter. The findings of the performance evaluation shall be communicated to the Board of Directors in written form and if necessary contain

recommendations of any changes to this Charter which may be deemed necessary or advisable by the Committee. The Committee shall set its own procedure on the manner in which the annual performance evaluation shall be conducted.

## **F AUTHORITIES**

The Committee is authorized by the Board to:

1. Develop an annual work program to discharge the duties of the Committee as set out herein;
2. Investigate any activities within the scope of the Committee's duties;
3. Perform such other functions and have such powers as may be necessary or appropriate for the efficient discharge of its responsibilities hereunder;
4. Obtain any information it requires from the Executive Management or Head of Department and to invite them to attend Committee meetings or related deliberations;
5. In consultation with the Chairman of the Board or the Managing Director obtain legal or other independent professional advice.

For the avoidance of doubt the Committee shall have no executive or supervisory powers with regard to its findings or recommendations save and except where the Board has delegated decision making authority to the Committee on a particular issue.

The foregoing Governance Committee Charter 2017 was discussed and approved at the 184<sup>th</sup> meeting of the Board of Directors held on 8<sup>th</sup> December 2017

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