

## Human Resources Committee Charter

### A. POLICY

#### St. Lucia Electricity Services Limited Human Resources Committee Charter

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

### B. 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 Human Resource (HR) function of the Company with a view to establishing the best practices and standards of Human Resource Management.
2. Make recommendations to the Board on matters related to improvements in the HR function.
3. To approve and monitor the implementation of the Human Resources Strategic Plan in support of the Company’s Business Plan.
4. Provide guidance for the development of key HR policies, review and approve as necessary.
5. Provide guidance and approval (where appropriate) in the following HR areas:
  - a. Corporate Performance:
    - i. The Strategic Planning and Investments Committee (SPIC) shall recommend the approval of Corporate Performance Targets as part of the annual budget process and the Audit Committee shall audit the annual results.
  - b. Compensation & Benefits:
    1. Recommend the approval of the Company's overall compensation

and benefit policy in consideration of Company's performance management plan, short-term and long-term business strategies and financial or reputational risks to the Company.

2. Recommend the approval of Cost of Living adjustments annually for senior management as per the Compensation Policy.
3. Recommend the approval of payments for the Performance Based Incentive Plan in December and March of each year.
4. Review and recommend base salary, performance pay, and other benefits for the Managing Director.
5. Approval of base salary and other compensation applicable to Executives other than the Managing Director;
6. Exercise administrative and oversight functions relating to the Company's pension schemes and receive quarterly updates on pension plan administration, including compliance with Pension Plan Rules and applicable laws.
7. Following consultation with the Audit Committee, recommend the approval of amendments to the Company's pension plans.

c. Succession Planning:

i. Ensure that a Succession Plan is in place for positions at the Executive Management level in the Company and review and update

annually. d. Recruitment

i. Review Management's proposals for the appointment and promotion of members of the Executive Management Team.

e. Industrial Relations:

1. Review quarterly reports prepared by Management on significant union related activities.
2. Review the Company's Labour Relations Strategy and recommend the approval of amendments to company policy impacted by union negotiations.
- 3.

Consider the overall human resources, cost and other implications of collective bargaining proposals submitted by Management for salary increases and benefits and make recommendations to the Board for approval.

Review significant changes to the organisation's structure and their impact on Executive Management roles. To review annually the performance reports of members of the Executive Management Team.

Lead the annual performance evaluation process for the Chairman of the Board of Directors. Review and annually recommend to the Board the Chair's compensation and compensation of directors.

## **COMPOSITION AND TENURE**

The Committee shall comprise of at least three non-executive Directors of the Company to 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 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.

Investigate any activities within the scope of the Committee's duties;

2. Perform such other functions and have such powers as may be necessary or appropriate for the efficient discharge of its responsibilities hereunder.
3. Obtain any information it requires from the Senior Management or Head of Department and to invite them to attend Committee meetings or related deliberations
4. 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 Charter was discussed and approved at the 186th meeting of the Board of Directors held on 4th May 2018.

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