



CARIBBEAN UTILITIES COMPANY, LTD.
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
MANDATE
(Approved August 1, 2003)
(revised August 25, 2005)

Definitions

1. In this mandate:
 - (a) “Board” means the board of directors of the Corporation;
 - (b) “Committee” means the Nominating and Corporate Governance Committee of the Board;
 - (c) “Director” means a member of the Board; and
 - (d) “Member” means a member of the Committee.

Composition

2. The Committee shall be appointed annually by the Board and shall be comprised of three (3) or more Directors:
 - (a) none of whom are members of management or employees of the Corporation;
 - (b) the majority of whom are independent of management of the Corporation and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with their ability to act with a view to the best interest of the Corporation; and
 - (c) the Chair of the Board shall be member of the Committee.
 3. A Member shall be appointed Chair of the Committee by the Board.
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Meetings

4. Meetings of the Committee shall be held at the call of the Chair of the Committee, or upon the request of any two (2) Members.
5. The President & Chief Executive Officer and Executive Vice-President & Chief Operating Officer shall receive notice of, and (unless otherwise determined by the Committee) shall be entitled to attend, all meetings of the Committee.
6. A quorum shall be a majority of the Members at any meeting of the Committee.
7. The Committee shall conduct sections of its meetings without management present and shall meet periodically with the Corporation's human resources consultants.
8. The Chair of the Committee shall act as chair of all meetings of the Committee at which the Chair is present. In the absence of the Chair from any meeting of the Committee, the Members present at the meeting shall appoint one of their number to act as chair of the meeting.
9. The Company Secretary and Chief Governance Officer of the Corporation shall act as secretary of all meetings of the Committee unless otherwise determined by the Committee.

Responsibilities

10. The Committee shall review and report and make recommendations to the Board on:
 - (a) the Corporation's approach to and policies on corporate governance, executive compensation and human resources issues;
 - (b) new nominees for election or appointment to the Board;
 - (c) the Directors to be appointed annually to each committee of the Board;
 - (d) policies regarding director retirement, tenure and share ownership;
 - (e) the process, or processes, for assessing the effectiveness of the Board as a whole and of each committee of the Board;
 - (f) the adequacy and form of the compensation of Directors;

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- (g) this mandate, and the mandates of all committees of the Board, which the Committee shall review annually;
 - (h) terms of employment, including, *inter alia*, compensation, benefits and perquisites of senior officers of the Corporation;
 - (i) targets used by the Corporation to measure performance for compensation purposes;
 - (j) payments to be made to senior officers of the Corporation under the Short-Term Incentive Plan;
 - (k) overall effectiveness of the senior management team, including the President & Chief Executive Officer and Executive Vice-President & Chief Operating Officer;
 - (l) human resource planning of the Corporation for orderly development and succession of the senior positions of the Corporation;
 - (m) required reporting to shareholders relating to governance, executive compensation and human resources matters; and
 - (n) those governance, executive compensation and human resources matters specifically delegated to the Committee by the Board;
11. The Committee shall administer all stock option plans of the Corporation in accordance with the terms thereof.

Reporting

12. The Chair of the Committee, or another designated Member, shall report to the Board at each regular meeting on those matters that were dealt with by the Committee since the last regular meeting of the Board.

Corporate Governance/Chief Governance Officer

13. The Committee shall liaise with the Company Secretary and Chief Governance Officer, an executive officer position with overall accountability for the Company's corporate governance activities. This position is responsible for: (i) advising the Board of Directors, its committees, the President and Chief Executive Officer and senior management on a wide range of corporate governance issues as they relate to the Company's listing on the Toronto Stock Exchange and its reporting issuer status across Canada; (ii) managing the

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Company's investor relations program and implementing and updating its investor information programs; and (iii) facilitating the development of corporate governance policies and procedures in keeping with best practices among North American public companies.

General

13. To assist the Committee in discharging its responsibilities, the Committee may, at the expense of the Corporation, approve the engagement of an outside expert or experts by an individual director.