



1. OBJECTIVE

1.1. The Governance and Sustainability Committee shall provide advice and assistance to the Board in fulfilling its oversight responsibilities related to, among other things, the development, implementation, monitoring and evaluation of the corporate governance and sustainability policies, practices and procedures of the Company and the nomination, and assessment of directors for the Company.

2. DEFINITIONS

2.1. In this mandate:

- a) **“Board”** means the board of directors of the Company;
- b) **“Chair”** means the Chair of the Committee;
- c) **“Committee”** means the Governance and Sustainability Committee of the Board
- d) **“Company”** means Caribbean Utilities Company, Ltd
- e) **“Director”** means a member of the Board; and
- f) **“Management”** means the Officers of the Company; and
- g) **“Mandate”** means this mandate of the Committee; and
- h) **“Member”** means a member of the Committee; and
- i) **“Shareholders”** means the shareholders of the Company.

3. ESTABLISHMENT AND COMPOSITION

3.1. The Committee shall be comprised of three (3) or more Directors:

- a) none of whom are members of management or employees of the Company;
- b) the majority of whom are independent within the meaning of all applicable laws and stock exchange requirements; and
- c) the Chair of the Board shall be a member of the Committee.

3.2. A Member shall be appointed Chair of the Committee by the Board.

3.3. The Committee shall be appointed annually by the Board, provided, however, that if the appointment of Members is not so made, the Directors who are then serving as Members shall continue as Members until they resign or are removed or their successors are appointed.



- 3.4. The Board may appoint a Member to fill a vacancy which occurs on the Committee between annual elections of Directors. If a vacancy exists on the Committee, the remaining Members shall exercise all of the powers of the Committee so long as at least three (3) Members remain in office.
- 3.5. Any Member may be removed from the Committee by a resolution of the Board.
- 3.6. The Board shall appoint a Member to be Chair, provided, however, that if the appointment of the Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed. The Board shall periodically rotate the Chair and shall use reasonable efforts to rotate the Chair every four (4) years.

4. COMMITTEE MEETINGS

- 4.1. The Committee shall meet at least quarterly and shall meet at such other times during the year as it deems appropriate. 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. The time and place of the meetings of the Committee and the procedures for such meetings shall be determined by the Committee.
- 4.2. The President & Chief Executive Officer and the Chief Financial Officer shall receive notice of, and (unless otherwise determined by the Committee) shall be entitled to attend, all meetings of the Committee.
- 4.3. A quorum at any meeting of the Committee shall be three (3) Members.
- 4.4. Each Member shall have the right to vote on matters that come before the Committee.
- 4.5. Any matter to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee at which such matter is considered. Actions of the Committee may also be taken by an instrument or instruments in writing signed by all of the Members, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.
- 4.6. The Committee shall conduct *in camera* sections of its meetings without management present at each meeting of the Committee.
- 4.7. 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.
- 4.8. The Company Secretary shall act as secretary of all meetings of the Committee unless otherwise determined by the Chair.
- 4.9. The Committee may invite any Directors, officers or employees of the Company or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.



5. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

A. Governance

5.1. The Committee shall oversee issues, policies and practices pertaining to corporate governance as they apply to the Company by monitoring and reviewing the corporate governance practices of the Company on a continuing basis and, wherever considered appropriate, shall report and make recommendations to the Board concerning corporate governance practices including:

- (a) the Company's approach to and policies on corporate governance including insider trading, continuous disclosure, ethics and business conduct, environmental and social matters and cyber security;
- (b) this mandate, and the mandates of the Board of Directors and of all committees of the Board, and the Board Governance Guidelines, which the Committee shall review on a periodic basis;
- (c) the Directors to be appointed annually to each committee of the Board;
- (d) the process, or processes, for assessing the effectiveness of the Board as a whole, each committee of the Board and the contribution of individual Directors on a regular basis;
- (e) policies regarding director retirement, tenure, share ownership and the participation of Directors on outside boards or committees;
- (f) the size and composition of the Board and, if appropriate, recommendations to the Board that could improve the Board's performance and its ability to make effective decisions;
- (g) communication processes between the Board and Management including monitoring the quality of the relationship between Management and the Board and recommending improvements as necessary;
- (h) disclosure of corporate governance practices and policies prior to publication thereof in annual reports, Management Information Circulars, Annual Information Forms or other dissemination to the public; and
- (i) management's preparedness for crisis response and communication plan; and
- (j) such additional activities within the scope of its responsibilities as the Committee may deem appropriate or as may be delegated to the Committee by the Board from time to time.

B. Sustainability

5.2. The Committee shall oversee issues, policies and practices pertaining to sustainability, and shall report and make recommendations to the Board, including with respect to:



- (a) the Company's short- and long-term sustainability objectives;
- (b) the Company's performance against its short- and long-term sustainability objectives, and its review of the Company's plans to improve its performance in respect of sustainability practices and reporting;
- (c) strategic plans and opportunities for the Company, to ensure alignment with its sustainability objectives; and
- (d) the results of external engagement, emerging trends, risks and issues related to sustainability relevant to the Company.

C. Ethical and Legal Compliance

5.3. The Committee shall:

- (a) Subject to Board approval, oversee and periodically review a code of business conduct and ethics for the Company (the Code) to ensure compliance with applicable laws and stock exchange requirements and other recommended best practices in governance;
- (b) Receive, review and approve regular reports with respect to compliance with the Code;
- (c) Review any departure, or alleged departure, from the Code involving a Director or executive officer of the Company and make recommendations to the Board in respect thereof, including whether a waiver from the Code should be granted given the circumstances; and,
- (d) Make recommendations to the Board regarding the Company's disclosure obligations in respect of the Code.

5.4. The Committee shall review and advise the Board in respect of any actual or potential conflicts of interest between or among Management, a Director or a Shareholder and the appropriate responses to mitigate any such conflicts.

5.5. The Committee shall oversee and advise the Board in respect of the Company's compliance with applicable laws and regulations and stock exchange requirements relating to corporate governance matters.

D. Board Composition and Director Nominations

5.6. The Committee shall oversee matters relating to Board composition and carry out the Director identification, selection and nomination process. The Committee shall:

- (a) develop criteria which reflects the needs of the Board in recruiting and selecting new directors;
- (b) provide recommendations to the Board with respect to the following matters: (i) competencies and skills that the Board, as a whole should possess, (ii) the competencies and skills each Director possess, (iii) the level of diversity that should be maintained by the Board, in accordance with the Company's Diversity Policy, (iv) the mechanisms that should be adopted to ensure periodic Board renewal, (v) the independence of the members of the Board and the



factors and circumstances to be considered in making independence determinations; and (vi) the personality, integrity and other qualities of each Director;

- (c) interview, evaluate, and make recommendations to the Board in respect of potential candidates for nomination to the Board; and,
- (d) make recommendations in respect of nominations to fill any vacancies of Directors arising between meetings of shareholders.
- (e) establish and periodically review a succession plan for the Chair and the chair of each committee of the Board.

E. Director Orientation and Continuing Education

5.7. The Committee shall maintain, oversee and periodically update a comprehensive orientation program for new Directors, which shall include assisting new Directors to understand:

- (a) the role of the Board and its committees;
- (b) the contribution individual Directors are expected to make (including the commitment of time and resources that the Company expects from its Directors); and,
- (c) the nature and operation of the Company's business.

5.8. The Committee shall oversee a continuing education program for all Directors which shall, among other things:

- (a) assist Directors to maintain or enhance their skills and abilities as directors, and
- (b) assist Directors ensuring that their knowledge and knowledge and understanding of the Company's business remains current.

F. Environment, Health & Safety Considerations

5.9. The Committee shall provide oversight of the Company's commitment to environment, health and safety in order to identify and monitor emerging risks and to review the Company's approach to environment, health and safety matters.

5.10. The Committee shall periodically review programs designed to promote corporate citizenship and shall advise the Board on the status and adequacy of efforts to ensure that the Company's business is conducted to meet appropriate levels of environmental and social responsibility. Environmental considerations include, but are not limited to, energy efficiency, carbon reduction, and pollution and waste management. Social considerations include, but are not limited to health and safety and the impact on the local community.



G. Cybersecurity and Information Technology

5.11. The Committee shall provide oversight of the Company's information technology use and protection, including, but not limited, to cybersecurity, data governance, data protection and compliance.

5.12. The Committee will review with both the Board and Management, at least annually, the Company's cybersecurity risk exposures and the steps the Company has taken to monitor or mitigate such exposures, including the Company's procedures and any related policies with respect to cybersecurity risk assessment and management.

6. REPORTING

6.1. The Chair of the Committee, or another designated Member, shall report to the Board at each regular meeting on matters considered by the Committee since the last regular meeting of the Board.

7. REMUNERATION OF COMMITTEE MEMBERS

7.1. Members and the Chair shall receive such remuneration for their services on the Committee as the Board may determine from time to time, having considered the recommendation of the Committee.

8. GENERAL

8.1. The Committee shall periodically review its own effectiveness and performance.

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

9. MANDATE REVIEW

9.1. The Committee shall review and assess the adequacy of this Mandate periodically and recommend to the Board any changes it deems appropriate.

10. EFFECTIVE DATE

This mandate was initiated on May 9, 2022 and is effective as revised and approved by the Board of Directors on May 9, 2022.

11. POLICY REVISION HISTORY:

Revision	Date	Description of changes	Approved by
0	May 9, 2022	Initial release and implementation	Board of Directors