



## **1. OBJECTIVE**

1.1. The Human Resources Committee assists the Board in fulfilling its oversight responsibilities relating to, among other things, the development, implementation and monitoring of sound human resources strategies, policies and practices for the Company. This shall include preparing, reviewing, recommending and administering policies, plans and programs in respect of recruitment, retention, compensation, benefits and succession planning of Executive Personnel for the Company.

## **2. DEFINITIONS**

2.1. In this mandate:

- a) **“Board”** means the board of directors of the Company;
- b) **"CEO"** means the President and Chief Executive Officer of the Company.
- c) **"Chair"** means the Chair of the Committee;
- d) **“Committee”** means the Human Resources Committee of the Board;
- e) **“Company”** means Caribbean Utilities Company, Ltd;
- f) **“Director”** means a member of the Board;
- g) **"Executive Compensation Policy"** means the policy establishing the Company's approach to compensation of Executive Personnel, including the type, nature and application of compensation programs and policies;
- h) **"Executive Leadership Team"** means the officers of the Company that report directly to the CEO;
- i) **"Executive Personnel"** means the Executive Leadership Team and such members of management as determined by the CEO; and
- j) **"Governance and Sustainability Committee"** means the governance and sustainability committee of the Board;
- k) **"Mandate"** means this mandate of the Committee; and
- l) **“Member”** means a member of the Committee.
- m) **“Shareholders”** means the shareholders of the Company.

## **3. ESTABLISHMENT AND COMPOSITION OF COMMITTEE**

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. 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.
- 3.3. 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.
- 3.4. Any Member may be removed from the Committee by a resolution of the Board.
- 3.5. 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 shall be a majority of the Members at any meeting of the Committee.
- 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.
- 4.10. The Committee may delegate authority to individual Independent Members or subcommittee if deemed appropriate.

## **5. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

### **A. Human Resources Strategy**

- 5.1. The Committee shall oversee the Company's overall human resource and talent management strategies, policies and plans and their effectiveness for the management and development of Executive Personnel and the employees.
- 5.2. The Committee shall have responsibility to:
- a) oversee and assess the integrity of the Executive Personnel, in coordination with the CEO;
  - b) oversee and review the Company's workplace diversity and inclusion strategy, plans and practices;
  - c) oversee the alignment of the Company's human resources programs with the Company's strategy, risk management framework and corporate performance;
  - d) oversee the Company's approach to and policies for recruiting, developing, retaining and motivating Executive Personnel and related executive compensation and human resources matters; and
  - e) oversee the orderly development and succession planning of Executive Personnel.

### **B. Executive Compensation and Engagement**

- 5.3. The Committee shall oversee matters relating to the Company's human resources and executive compensation by monitoring and reviewing the related policies and practices of the Company and general executive compensation developments, trends and practices on a continuing basis. The Committee shall, whenever considered appropriate, report and make recommendations to the Board concerning human resources and executive compensation policies and practices, including with respect to:
- a) the review, establishment and evaluation of corporate and individual goals, objectives and performance in respect of the CEO and make recommendations to the Board in respect thereof;
  - b) the determination of the CEO's compensation level (considering all elements of the compensation package) based on the CEO's performance, market conditions, evaluation and other factors determined relevant by the Committee and make recommendations to the Board in respect thereof;



- c) the engagement of the Executive Leadership Team and their respective specific terms of employment and termination, including compensation, pension, benefits and perquisites of the Executive Leadership Team, taking into consideration the recommendations of the CEO of the Company, where appropriate and make recommendations to the Board in respect thereof;
- d) the organizational structure of the executive, and the engagement of any Executive Personnel to a newly formed executive position or on terms which exceed the parameters set forth in the Executive Compensation Policy;
- e) for greater clarity and with reference to 5.3(c) and 5.3(d), the CEO is responsible for engaging Executive Personnel, other than the Executive Leadership Team, and setting terms of engagement, including compensation, for them provided the terms of engagement fall within the parameters set forth in the Executive Compensation Policy and the appointment is not to a newly created executive position;
- f) the overall effectiveness and performance of Executive Personnel;
- g) the targets used by the Company to measure performance for compensation purposes and the competitiveness of the Company's approach to executive compensation, including the appropriate comparator group and benchmarking approach; and
- h) the required reporting to shareholders relating to executive compensation and human resources matters, including required disclosure of compensation matters in the annual Management Information Circular and any other report on compensation that may be required to comply with all applicable laws and regulations and stock exchange requirements.

### **C. Executive Compensation Policies and Plans**

5.4. The Committee shall oversee the overall compensation philosophy of the Company and review and recommend to the Board for approval all Executive Personnel compensation policies, clawback policy, and plans and any material new incentive compensation, equity, benefit or retirement plans of the Company and any related public disclosures.

5.5. The Committee shall have responsibility and authority to:

- a) design, compose, structure and apply the Executive Compensation Policy, which shall be reviewed periodically by the Committee;
- b) design, implement and administer any and all incentive and equity-based compensation plans and arrangements;
- c) establish payout criteria, evaluate performance and realization of objectives and authorize awards and payments in accordance with any applicable performance share unit plan of the Company or any other similar long-term incentive compensation arrangement;
- d) establish criteria and authorize awards and payments in accordance with any applicable performance share unit plan of the Company;
- e) establish criteria and authorize awards of stock options in accordance with any applicable stock option plan of the Company; and



- f) interpret, construe and determine all questions arising out of administration of any and all incentive and equity-based compensation plans and retirement plans of the Company, and any such interpretation, construction or determination made in accordance with such plans by the Committee shall be final, binding and conclusive for all purposes.

#### **D. Compensation Alignment and Risk Management**

5.6. The Committee shall oversee and review the Company's compensation policies and programs to maximize alignment between Executive Personnel's interest with:

- a) the Company's strategy, operating model and enterprise risk management framework;
- b) the Company's human resources strategy;
- c) sustainability strategy;
- d) overall corporate performance; and
- e) the interests of shareholders and other key stakeholders.

5.7. The Committee shall, as part of the Company's overall risk management framework, oversee the risk identification, assessment and management programs relating to the Company's executive compensation policies and programs, including to ensure such policies and programs do not encourage excessive or inappropriate risk taking.

#### **E. Compensation Consultants**

5.8. The Committee may retain, if it deems appropriate, and shall oversee the work, compensation and performance of, any compensation, benefits and/or human resources consultants.

5.9. The Committee may engage compensation consultants to assist the Committee in respect of executive compensation matters. In addition to the consultants, the Committee may engage, in its discretion, in circumstances that it considers appropriate, legal counsel or other outside advisors or persons having special expertise in the matters of compensation or human resources generally. Any such engagement shall be at the sole expense of the Company, made only after taking into consideration all factors relevant to such person's independence from management, including those specified by any applicable laws and stock exchange requirements. The Committee shall have sole authority to approve related fees and retention terms of any outside advisors or experts.

5.10. The Committee shall meet periodically with the Company's compensation, benefits and/or human resource consultants without Executive Personnel present.

#### **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**

The Committee shall review and assess the adequacy of this Mandate periodically and recommend to the Governance and Sustainability Committee 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 September 5, 2024.

**11. POLICY REVISION HISTORY:**

<b>Revision</b>	<b>Date</b>	<b>Description of changes</b>	<b>Approved by</b>
0	<b>May 9 2022</b>	Initial release and implementation	<b>Board of Directors</b>
1	<b>September 5, 2024</b>	Updated wording	<b>Board of Directors</b>