

Board of Directors Charter

Responsibilities of the Board:

The board's key purpose is to ensure St. Lucia Electricity Services Limited's (the "Company") prosperity, by collectively directing the Company's affairs, whilst meeting the appropriate interests of its shareholders and stakeholders.

Members of the Board must have a clear understanding of the key aspects of the Company's:

- vision
- mission
- business objectives

and must be committed to the principles of fairness, accountability, responsibility and transparency.

Directors must:-

- always exercise their powers for a *proper purpose* – that is, they must act in the best interest of the Company
- Act in good faith in what they honestly believe to be the best interests of the Company, and not for any collateral purpose. This means that particularly in the event of a conflict of interest between the company's interests and their own, the directors must always favour the company.
- Act with due skill and care.
- Must consider the interests of employees of the company.

In maintaining full and effective control over the Company, the Board of Directors shall, consider the recommendations of Management and will:-

1. Establish vision, mission and values

- Ensure that effective mechanisms are in place for the Company to meet its statutory mandate to supply a competitively-priced, efficiently provided, safe, adequate and reliable supply of electrical power to all utility customers in Saint Lucia who are desirous of obtaining such power whilst providing shareholders with a good return on their capital;
- Determine the company's vision and mission to guide and set the pace for its current operations and future development.
- Determine the values to be promoted throughout the company.
- Determine and review company goals.
- Determine company policies and in particular promote the use of environmentally friendly policies within the Company;

2. Set strategy and structure

- Review and evaluate present and future opportunities, threats and risks in the external environment and current and future strengths, weaknesses and risks relating to the company.
- Determine strategic options, select those to be pursued, and decide the means to implement and support them.
- Determine the business strategies and plans that underpin the corporate strategy.
- Ensure that the company's organizational structure and capability are appropriate for implementing the chosen strategies.
- Approve the Company's annual performance targets, work programme and administrative and operating budgets within the context of the strategic plan and periodically monitor such performance;
- Ensure that proper books of account are kept.
- Ensure that effective mechanisms are in place for the identification of major and/or most probable risks which the Company faces and that measures are put in place to cost-effectively address and/or minimize their impact;
- Through the Audit Committee of the Board maintain oversight of the integrity of the risk management and internal control processes of the Company;
- Declare dividends as appropriate and approve financial results for disclosure to the public as necessary;

3. Appointments and the Establishment of Board Procedures and Protocols

- Appoint the Chairman and Company Secretary;
- Appoint and review the performance of the Managing Director and ensure that mechanisms are in place for proper succession planning for senior managerial positions;
- Appoint the other members of the Executive Management and those persons with direct reporting lines to the Board of Directors;
- Ensure that the decisions of the Board of Directors are effectively implemented.
- Ensure that evaluations of the Board and its sub-committees are conducted at regular intervals;
- Conduct annual evaluations of the Chairman of the Board
- Develop a succession plan for the Board, its Chairman and Directors;
- Appoint Committees of the Board each with its own charter or terms of reference;
 - In keeping with the provisions of the Laws of Saint Lucia and the Company By Law delegate such authority as it deems fit to any Committee of the Board.

4. Delegate to management

- Delegate authority to management, and monitor and evaluate the implementation of policies, strategies and business plans;
- Determine monitoring criteria to be used by the Board;
- Ensure that internal controls are effective;
- Communicate with senior executive management;
- On a regular basis confirm with Management that the Company is in compliance with relevant laws and regulations and that good corporate governance practices were being adhered to.

1. Exercise accountability to shareholders and be responsible to relevant stakeholders

- Regularly and honestly communicate with shareholders and stakeholders on the Company's performance

and how it discharged its responsibilities;

- Understand and take into account the interests of shareholders and relevant stakeholders;
- Monitor relations with shareholders and relevant stakeholders;
- Promote goodwill between the Company's shareholders and its relevant stakeholders;
- Promote the Company as a model corporate citizen, with good relations with all its major stakeholders;
- Do all that is necessary, cost-effectively, to satisfy its mandate and to be a model stakeholder-friendly utility company;
- In all cases conform to the provisions of:-
 - the Companies Act and all other laws which impact the operations of the Company,
 - the Articles of Incorporation,
 - By Law No 1 and any amendment thereto or replacement thereof and
 - Such regulations as may from time to time be prescribed by the Company in Special Shareholders Meeting or Annual Shareholders Meeting.

The Foregoing Role of the Board Of Directors Of St. Lucia Electricity Services Limited discussed and approved at the meeting of the Board of Directors held on

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