

# **NSTAR BOARD OF TRUSTEES**

## **Board Governance and Nominating Committee**

### **Charter**

(Established by vote of the Board of Trustees dated May 1, 2003)

#### **Purpose**

The purpose of the Board Governance and Nominating Committee is to establish guidelines for Board composition, membership and tenure; to identify, together with the Chief Executive Officer, individuals qualified to become trustees; to recommend nominees for election to the Board; to recommend appointment of trustees to Board Committees; to develop a set of corporate governance principles applicable to the Board; and to oversee the effectiveness of the Board/management relationship.

#### **Composition**

The Committee shall be composed of outside trustees appointed by the Board. Members of the Committee shall satisfy the independence requirements of the SEC and the New York Stock Exchange, as interpreted by the Board in its business judgment.

#### **Duties**

The duties of the Committee shall include:

1. Developing a set of corporate governance principles applicable to the Company, which shall address Board composition, including size, profile and balance; qualifications for trustees; trustee responsibilities; trustee access to management and, as necessary and appropriate, to independent advisors; trustee compensation; trustee orientation and continuing education; and annual evaluation of Board performance.
2. Reviewing recommendations for Board membership and making appropriate recommendations to the Board.
3. Reviewing expiring terms of trustees and making appropriate recommendations for re-election.
4. Considering resignations prompted by Board policy and making recommendations concerning acceptance or rejection.

5. Considering action on any trustee whose continuing membership may not be appropriate.
6. Reviewing and assessing the adequacy of the Committee's charter and submitting any recommended changes to the Board for approval.
7. Reviewing the functions, duties, composition and charters of Board Committees, reviewing the Chief Executive Officer's recommendations for Board Committee assignments and chairships, and making recommendations with respect thereto to the Board.
8. Conducting an annual evaluation of the performance of the Committee and reporting the results thereto to the Board.
9. Assisting the Board in performing its annual evaluation of Board performance by reviewing the effectiveness of Board meetings, the desired subject matter of such meetings, the effectiveness of the Committee structure, the periodic use of special meetings and Board/management communication.

#### **Authority and Resources**

The Committee shall have the authority and resources to discharge its duties and responsibilities, including the authority to retain a search firm to assist in the identification of trustee candidates, and to approve the search firm's fees and other retention terms, all at the Company's expense. The Committee may delegate its authority to one or more subcommittees.