

Ministerial Decision Report

APPOINTMENT OF MINISTERIAL APPOINTEE TO THE BOARD OF JERSEY POST INTERNATIONAL LIMITED

1. Purpose of Report

To enable the Minister for Treasury and Resources to consider the nomination of the Ministerial Appointee on the Board of Jersey Post International Limited (“Jersey Post” or the “Company”).

2. Background

Article 4.1 of the new Jersey Post Articles of Association recently adopted states that the number of Directors shall not be subject to any maximum but shall not be less than four, one of whom shall be the Chair and one of whom shall be the Ministerial Appointee.

Since the new Jersey Post Articles of Association introduced the role of the Ministerial Appointee for the first time, the Minister has the opportunity to nominate either an existing Non-Executive Director or a new individual to the Board to be the Ministerial Appointee.

3. Appointment of Ministerial Appointee

The Ministerial Appointee is proposed to be Mrs Helen Hatton. Mrs Hatton was appointed to the Board of the Jersey Post as a Non-Executive Board for an initial period of three years with effect from May 2020. Mrs Hatton is serving her second 3-year term on the Board of Jersey Post in accordance with provisions of the Corporate Governance Code 2018 and is currently serving as the Senior Independent Director.

A brief biography for Mrs Hatton appears at the **Appendix**.

Mrs Hatton has confirmed her willingness to act as the Ministerial Appointee.

4. Future of the Ministerial Appointee

The Ministerial Appointee role has existed for a number of years within Andium Homes Limited (“Andium”) and The States of Jersey Development Company Limited (“SoJDC”). It is commonly understood that the Ministerial Appointee represents the interests of the Minister and reports periodically to the Minister. The Ministerial Appointee further provides a beneficial additional line of communication for the Minister besides the Chair of Jersey Post.

In practice, however each NED’s primary responsibility is to the Company itself which is codified in Article 74(1) of the Companies (Jersey) Law 1991, as amended which requires that a director, in exercising the director’s powers and discharging the director’s duties, shall “*act honestly and in good faith with a view to the best interests of the company*”. Accordingly, the Ministerial Appointee could find themselves to be in a conflict of interest whereby they have the legal responsibility to act in the best interests of the Company which from time to time may not necessarily align with the interests of the Minister.

It is therefore proposed, as a pragmatic measure and similar to the Ministerial Appointees acting for Andium and SoJDC, that it would make sense administratively and practically that the Ministerial Appointee be aligned with the Senior Independent Director (“SID”) role and that the Ministerial Appointee going forward will be deemed to be the NED fulfilling the role of the SID at any one time.

It could be argued that in aligning the Ministerial Appointee with the SID role, since the Jersey Post Board appoints the SID, the Minister is effectively delegating his power to appoint the Ministerial Appointee to the Board. However, the Minister still retains the ability to appoint an alternative NED to act as the Ministerial Appointee if desired.

5. Recommendation

The Minister for Treasury and Resources is recommended:-

- to nominate Mrs Helen Hatton as the Ministerial Appointment for such times as Mrs Hatton acts at the Senior Independent Director (“SID”) of Jersey Post; and
- to approve as a principle that the Ministerial Appointee should in future be aligned to the role of the SID and that therefore the Ministerial Appointee will be the Non-Executive Director fulfilling the role of the SID at any one time.

5. Reasons for Decisions

Article 4.1 of the Jersey Post Articles of Association states that the number of Directors shall not be subject to any maximum but shall not be less than four, one of whom shall be the Chair and one of whom shall be the Ministerial Appointee.

Since the new Jersey Post Articles of Association introduced the role of the Ministerial Appointee for the first time, the Minister has the opportunity to nominate either an existing Non-Executive Director or a new individual to the Board to be the Ministerial Appointee.

6. Resource Implications

There are no financial and/or manpower implications for the States arising from this decision.

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MD sponsor : <i>Director of Treasury and Investment Management</i>	

APPENDIX

Helen Hatton

Helen Hatton is widely recognized as the prime architect of the modern Jersey regulatory regime. She resigned as Deputy Director General of the Jersey Financial Services Commission in May 2009, having led the implementation of regulatory development in the island from its blacklisted state in 1999 to achieving one of the world's best IMF evaluation results, to establish Sator Regulatory Consulting, which merged with BDO Jersey in April 2016.

BDO Sator undertakes governance, risk and compliance assignments for leading financial services businesses; international standards setting bodies including the World Bank and IMF, and regulatory authorities. Recent assignments for regulatory authorities include those with the British Virgin Islands Financial Services Commission, the Central Bank of Aruba and the Financial Services Commissions of Anguilla and the Cook Islands. Financial institution clients include banks, insurance companies, securities, trust and funds sector businesses.

Prior to taking up her roles in Jersey, Helen was Director of Enforcement with the Isle of Man Financial Supervision Commission from 1992-1999, introducing the first offshore 'all crimes' money laundering regime in 1997 and, notably, achieving the world's first 'freestanding' offshore Mareva injunction without a local cause of action in the case SIB-v-Lloyd Wright. This milestone case brought an effective end to banking secrecy in the Crown Dependencies.

Helen is a Fellow of the Institute of Advanced Legal Studies, a member of the Editorial Board of the Journal of Banking Regulation and member of the Worshipful Company of International Bankers. She is a recognised international speaker on regulatory compliance topics and regularly publishes papers on regulatory matters. She is also founder of KYC Worldwide Limited, a ground-breaking intelligence business.