

Ministerial Decision Report

APPOINTMENT OF MINISTERIAL APPOINTEE TO THE BOARD OF PORTS OF JERSEY 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 Ports of Jersey Limited (“Ports” or the “Company”).

2. Background

Article 4.1 of the new Ports’ 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 Ports’ 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 Mr Jeffrey Hume. Mr Hume was appointed to the Board of the Ports as a Non-Executive Board for an initial period of three years with effect from January 2017. Mr Hume is serving his final 3-year term on the Board of Ports in accordance with provisions of the Corporate Governance Code 2018 and is currently serving as the Senior Independent Director and Chair of Ports’ Audit and Remuneration Committees.

A brief biography for Mr Hume appears at the **Appendix**.

Mr Hume has confirmed his 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 Ports.

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 Ports’ 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 Mr Jeffrey Hume as the Ministerial Appointment for such times as Mr Hume acts at the Senior Independent Director (“SID”) of Ports of Jersey; 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 Ports’ 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.

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6. Resource Implications

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

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APPENDIX

Jeffrey Hume

Jeff Hume has held many senior independent director roles across a variety of companies, including telecommunications, insurance, engineering and social housing. He was also a member of the London Stock Exchange Primary Markets Group.

In his executive career, Jeff has held senior management and financial positions in engineering, logistics, construction and water. He is a Fellow of both the Institute of Chartered Accountants and the Association of Corporate Treasurers.

Jeff chairs Ports of Jersey's Audit and Remuneration Committees. He is a member of the Nominations Committee.