

Ministerial Decision Report

APPOINTMENT OF MINISTERIAL APPOINTEE TO THE BOARD OF JT GROUP 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 JT Group Limited (“JT” or the “Company”).

2. Background

Article 5.1 of the new JT 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 JT 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 Joe Moynihan. Mr Moynihan was appointed to the Board of the JT as a Non-Executive Board for an initial period of three years with effect from May 2018. Mr Moynihan is serving his second 3-year term on the Board of JT in accordance with provisions of the Corporate Governance Code 2018 and is currently serving as the Senior Independent Director and Chair of JT’s Remuneration Committee.

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

Mr Moynihan 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 JT.

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 JT 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 Joe Moynihan as the Ministerial Appointment for such times as Mr Moynihan acts at the Senior Independent Director (“SID”) of JT; 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 5.1 of the JT 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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MD sponsor : <i>Director of Treasury and Investment Management</i>	

APPENDIX

Joe Moynihan

Joe Moynihan is an experienced international financial services executive with senior level commercial and public sector experience. He has held a wide range of board level positions in Jersey and international businesses during a career that has spanned over 30 years.

This includes being President of the Jersey Bankers Association, Chief Officer/Director of Financial Services for the States of Jersey and consultant to a number of financial services projects in Jersey and internationally. Joe has an MBA from the CASS Business School, University of London, is a fellow of the Association of Chartered Certified Accountants and a graduate of the Irish Institute of Bankers