

STATES OF JERSEY



STATES OF JERSEY DEVELOPMENT COMPANY LIMITED: APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Lodged au Greffe on 7th June 2012
by the Minister for Treasury and Resources

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

- (a) to appoint Mr. Paul Masterton as a Non-Executive Director of The States of Jersey Development Company Limited for a period of 3 years in accordance with the Memorandum and Articles of Association to take effect from the delivery to the company of the notice referred to in paragraph (b) below;
- (b) to authorise the Greffier of the States for and on behalf of the States to deliver a notice to The States of Jersey Development Company Limited in accordance with Article 21(b) of the Memorandum and Articles of Association to give effect to such appointments.

MINISTER FOR TREASURY AND RESOURCES

REPORT

Background

The States agreed at its meeting on 13th October 2010 to establish The States of Jersey Development Company Limited, which will form part of new arrangements for structuring the planning, development and implementation of major property and associated infrastructure regeneration projects in Jersey. The States of Jersey Development Company Limited has a key role in this as the delivery vehicle for property development on behalf of the States of Jersey.

The States also agreed at its meeting on 13th October 2010 to approve a new Memorandum and Articles of Association for The States of Jersey Development Company Limited (the “New Memorandum and Articles”) and authorised the Greffier of the States for and on behalf of the States to pass, together with the Treasurer of the States, one or more special resolutions of the company to adopt the New Memorandum and Articles.

The new arrangements require the appointment of a Board of Directors comprising individuals with the skills, technical knowledge and standing to make the company a success. The New Memorandum and Articles provide for the Board of Directors of the company to include –

- An independent Non-Executive Chairman appointed by the States;
- Three independent Non-Executive Directors appointed by the States; and
- A Non-Executive Director appointed by the Minister for Treasury and Resources to represent his interests.

Appointment process undertaken

The candidate search for the Chairman and 2 Non-Executive Directors of The States of Jersey Development Company Limited was performed locally and in the United Kingdom with the assistance of a recruitment consultancy. There were a number of very strong applicants for all positions, including applicants from Jersey. Overall, 2 candidates were short-listed for the role of Chairman and 5 for the Non-Executive Director and Ministerial Appointee roles.

Interviews for the role of Chair and Non-Executive Directors were undertaken over 4 days in May. The candidates were assessed against a robust competency framework and questioned on their understanding of such important areas as community and stakeholder engagement, the role of the States of Jersey Development Company, leadership and change, as well as their technical expertise.

Interviews for the Chairman’s position were conducted by a Panel chaired by the Minister for Treasury and Resources and supported by 2 representatives from the Jersey Appointments Commission and the Chief Executive of the States of Jersey.

Interviews for the Non-Executive Director and the Ministerial Appointee positions were conducted by a Panel chaired by the Minister for Treasury and Resources and supported by 2 representatives from the Jersey Appointments Commission, the Chief

Executive of the States of Jersey, the Treasurer of the States and a Non-Executive Director of The States of Jersey Development Company.

The Minister wishes to extend his warm thanks to the Jersey Appointments Commission, whose support was invaluable and played a very important role in the selection process.

Chairman

Whilst a recruitment process for the Chairman and 2 Non-Executive Directors of the States of Jersey Development Company was undertaken it was necessary to put in place an interim Chair in order to fulfil the requirements of the Articles of Association of the States of Jersey Development Company. Mr. Mark Boleat was an ideal candidate for this role and was put forward for appointment to the States. The Minister made it clear to Members during the debate that the intention was that this position was offered on an interim basis whilst the recruitment process was undertaken and that that this would be for a 9 month period which could be extended by the Minister to 12 months if necessary.

Notwithstanding the Minister's statement that the appointment was to be for a maximum of 12 months, Article 29 of the Articles of Association of the States of Jersey Development Company states that '*the Non-Executive Directors shall be appointed for fixed periods of 3 years duration*'. The States were therefore required to approve any appointment to the position of Chairman for 3 years and this was duly agreed at the States meeting of 7th June 2011.

As directed by the Minister a rigorous and transparent recruitment process for the Chairman and a Non-Executive Directors was undertaken and it was Mr. Boleat who was the outstanding candidate chosen for the position of Chairman. It is not possible or necessary for the States to be asked to reappoint Mr. Boleat to the position of Chairman until the current term of office expires in June 2014. The Minister is however confident that the States had already appointed the ideal candidate for the job highlighted by Mr. Boleat being the successful candidate during the recent recruitment process.

Non-Executive Director

Jurat John Tibbo, who has served on the Board of The States of Jersey Development Company Limited and the Waterfront Enterprise Board Limited since 17th January 1995 is retiring as a Non-Executive Director of the Company with effect from the date of these appointments. Deputy E.J. Noel of St. Lawrence resigned from the position of Ministerial Appointee on 25th November 2011 due to his appointment as Assistant Minister for Treasury and Resources with responsibility for Jersey Property Holdings.

The Minister for Treasury and Resources recommends the appointment of a Non-Executive Director and a Ministerial Appointee with relevant experience who will provide strong leadership and oversight of the company in order to ensure it operates within the agreed policies of the States and delivers projects aligned with the needs of the Island.

Minister's recommendation for appointments

All the candidates who were interviewed for the roles were of an extremely high calibre and brought with them a very strong set of skills, expertise and experience. However, following a rigorous and transparent selection process overseen by the Jersey Appointments Commission, the Minister recommends that Paul Masterton be appointed as a Non-Executive Director of The States of Jersey Development Company Limited for a period of 3 years in accordance with the Memorandum and Articles of Association.

In addition, the Minister will be appointing Ann Santry as the Ministerial Appointee with Mr. Boleat continuing in the role of Chairman until June 2014.

The Jersey Appointments Commission has been involved throughout and is satisfied that the appointments process has been properly conducted.

The appointments will take effect following the delivery to the company of a written notice by the Greffier of the States in accordance with Article 21(b) of the New Memorandum and Articles.

A CV for each new appointment is attached in the Appendix to this Report.

The Minister is confident that the new Non-Executive Directors will provide a strong balance of skills, expertise and technical backgrounds that will help contribute to the success of The States of Jersey Development Company. The Board will comprise an outstanding mix of both on- and off-Island experience in order to ensure that the complex local environment is well understood and represented at the strategic level.

Financial and manpower implications

The remuneration levels for the Non-Executives of the States of Jersey Development Company are set as follows –

- Non-Executive Directors – £15,000 for 15 days' commitment per annum.

An additional per diem rate will be available should additional commitment be required.

The proposed remuneration levels are regarded as appropriate given the size of the organisation and the need to attract the right calibre of individuals to the roles. The remuneration broadly reflects that of other comparable organisations.

The cost of remuneration will be borne by the States of Jersey Development Company Limited and not by the States of Jersey. There are therefore no financial or manpower implications for the States.

APPENDIX

Paul Masterton

Paul Masterton graduated from King's College London in 1979 with BSc honours degree in Geography. In 1981 Paul achieved a Diploma in Management Studies at Kingston Polytechnic. From 1981 to 1983 Paul worked for Bradbury Wilkinson Limited. During his time there he held a series of management roles, these included General Manager of Securities Printers Limited in Thailand. He was also a Sales Representative in the Middle East.

In 1983 Paul moved to RR Donnelly, the world's premier global print provider. He commenced his time there as a Sales Representative and in 1986 became Sales Director for the UK, Europe and Asia. In 1989 Paul was appointed Sales Manager in New York. In 1991 to 1993 Paul was made Business Development Director for the mutual fund, insurance and managed care industries. Paul progressed to Vice President, Shareholder Services, where he served from 1993 to 1996; in 1997 he was promoted to Senior Vice President, Operations. Paul's last ten years with RR Donnelly was spent as President. From 1998 to 2003 he was President, Financial Printing Group. Latterly, 2003 to 2008 he was President of Europe where he held P&L responsibility for multiple business streams in Europe, with revenues of approximately \$1.3 billion. Paul successfully led the company's first acquisition in Eastern Europe and under his leadership the company trebled print revenues.

Since 2008 Paul has served as Chief Executive of The Durrell Wildlife Conservation Trust, an organisation whose mission is to save endangered species from extinction. Durrell is headquartered in Jersey with 120 Jersey based staff. Whilst Paul has been in post Durrell has increased its commercial and charitable income, with the annual operating deficit reduced from £1 million in 2007 to £250,000 in 2011. Paul's board appointments have included, in 2008 Non Executive Director of Mauritius Wildlife Fund and Insurance Corporation of the Channel Islands. Most recently Paul was appointed Chairman of Allied Irish Bank International, 2009.

Ann Santry

Ann Santry was educated in Cheltenham. She graduated from the University of Nottingham in 1979 with BA honours degree in Geography and Archaeology. She then served as a Trainee Chartered Accountant at Binder Hamlyn in 1979. From 1980 to 1985 she held a series of roles with Notting Hill Housing Trust.

In 1985 she was appointed Development Manager at Battersea Housing Trust where she served for a year. She was then appointed Development Manager at Newlon Housing Trust from 1986 to 1989. Following 3 years in post she progressed to Development Director at The Guinness Trust from 1989 to 1995. She took on her first Chief Executive role in 1995 at The Swaythling Housing Society Ltd in Southampton, a regional housing association with an annual turnover of approximately £25 million. She spent 4 years in post; during this time she restructured the business to achieve operational savings.

Ann is currently Board Member and Chief Executive of Sovereign Housing Association where she has served since 1999. As Chief Executive of the 12th largest housing association in the UK, with a turnover of £170 million, Ann has successfully

led and negotiated 3 mergers. Under Ann's leadership Sovereign now owns and manages 33,000 homes across over 60 local authorities. Included in Ann's Non Executive portfolio she is Vice Chair of the National Housing Federation, the national trade body for housing associations. She is also Chair of CASE, a lobby group of housing association Chief Executives based in South East England.