

Connetable D.J. Murphy,  
Chairman,  
Corporate Services (WEB) Sub-panel

Dear Connetable Murphy,

**Scrutiny Role of States Directors on WEB.**

Many thanks for giving me the opportunity to express my views on the conflicts which exist with my role as a States Member and as a States Director on WEB. Due to the short time available I have been given to respond to your request I will have to be fairly brief, suffice it to say that there is no doubt in my mind that conflicts do exist.

We have to firstly think about why WEB was originally established. One of the main reasons was because commercial private companies needed to be able to have the confidence that the dealings that they had with the States were and are kept confidential, especially when there are third parties with which they want to negotiate business terms. The private companies need to be able to negotiate without the other party having access to the original deal with the States owned company WEB. If this is not achieved the whole basis of an advantageous financial deal for the States/WEB is devalued. I have been aware on occasions when companies have been very cautious about dealing with WEB because they have not wanted their business to get into the public domain.

Of course the duties of any company director requires that as soon as the director enters the board room of that company the prime consideration has to be to the company.

The main conflict arises when States members want the private business details of a deal made public and they expect the States director to make that public. The duty of a Director is in company law to the company and not to the States. This is obviously a particularly difficult position to be in for any States member.

I do hope this helps in your deliberations.

Yours sincerely,

Senator Paul Routier.