

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY SENATOR J.L. PERCHARD
ANSWER TO BE TABLED ON TUESDAY 11th MAY 2010**

Question

“When does the contract of employment of the Managing Director of the Waterfront Enterprise Board expire?

Is the Chief Minister able to instruct the Board of Directors of the Waterfront Enterprise Board to only renew the Managing Director of the Waterfront Enterprise Board’s contract of employment with the formal approval of the Council of Ministers and, if so, will he undertake to do so?”

Answer

In 1995 the States of Jersey established the Waterfront Enterprise Board Limited (WEB) as a 100% States owned company. The Company is operated by a Board of Directors.

Within the company’s Articles of Association, approved by the States in 1995, it is quite clear that it is the Board of Directors of WEB which is responsible for the appointment of its Managing Director on such terms as it sees fit.

Article 74 of the Companies (Jersey) Law demands that, in exercising their powers and discharging their duties, directors should:

- (a) act honestly and in good faith with a view to the best interests of the company; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

WEB has in place appropriate mechanisms to ensure proper governance with regard to the setting of remuneration. It has a well established Remuneration Committee which recommends to the Board the remuneration of all Executive Directors and, in support of this process, WEB commissions salary surveys at least every three years.

In responding to the question:

- a) The terms of any contract of employment are therefore confidential to the Managing Director and the Board of Directors of WEB.
- b) Under the Company’s Articles of Association, the Chief Minister has the power to issue a direction to the Board if a matter of ‘material public interest’ has arisen. The remuneration of the Managing Director is an entirely operational matter and it would therefore be inappropriate for the Chief Minister to intervene.
- c) As it is neither a Director nor a Shareholder, it is difficult to understand why the Council of Ministers should become involved in issues which are the responsibility of the Board of Directors of WEB.