

## Ministerial Decision Report

### APPROVAL OF NEW ARTICLES OF ASSOCIATION FOR PORTS OF JERSEY LIMITED

#### 1 Purpose of Report

To enable the Minister for Treasury and Resources to consider approving the new Articles of Association of Ports of Jersey Limited (“Ports” or the “Company”).

#### 2. Background

The States Assembly, in approving P.70/2012: “The Incorporation of Ports of Jersey”, under paragraph (a), agreed “the incorporation of Jersey Airport and Jersey Harbours as a single limited company wholly owned by the States of Jersey, to be known as “Ports of Jersey” as set out in the attached Report;” (the “Report”).

In 2012 the States Assembly through adopting P.70/2012 approved the Memorandum and Articles of Association of Ports of Jersey Limited

The Articles of Association of a company are the “*written rules about running the company agreed by the shareholders or guarantors, directors and the company secretary.*” Therefore, the Articles contain requirements around the appointment and resignation of directors, proceedings of the directors and meeting provisions, which are in addition to the legislative requirements of, for example, the Companies (Jersey) Law 1991, as amended, and other legislation.

The existing Ports Articles of Association are an amended version of a standard set of Articles set out in the Companies (Standard Table) (Jersey) Order 1992, as amended, and date from the original incorporation of the Company in 2002.

Approval for any amendment or variation of the Articles of Association is to be carried out by Special Resolution, signed by the shareholders of the Company and lodged with the Companies Registry at the Jersey Financial Services Commission together with a copy of the new Articles of Association.

#### 3. New Ports Articles of Association

Priority number 13 of the Minister’s 2023 Ministerial Plan involves developing the governance arrangements for arm’s length bodies, which includes the States-owned entities (“SOEs”). Following the adoption of new Memoranda of Understanding with the wholly owned SOEs in May 2022, the Shareholder team commenced a project to review, draft and agree updated new Articles of Association for these same entities.

The objectives of the project to agree new Articles of Association were to:-

- Review the existing Articles in the light of recent amendments to the Companies (Jersey) Law 1991, as some of the existing SOE Articles date back to 2004, and relevant Ports and recommendations of the Comptroller and Auditor General;

- Include modern corporate governance arrangements and provisions, ie notice periods of meetings, company seals, provision for electronic communications and virtual meetings;
- Bring consistency between the SOEs in terms of such matters as the appointment of directors and officers;
- Provide a measure of flexibility in relation to terms of office of directors to assist with effective board succession planning.

The project involved extensive engagement with the Ports Board and this was a wholly collaborative and constructive exercise.

The proposed new Articles of Association for Ports, which have received the endorsement of the Ports Board, appear in the **Appendix**.

#### 4. Recommendation

The Minister for Treasury and Resources is recommended:-

- to approve the new Articles of Association for Ports; and
- to instruct States of Jersey Investments Limited as Nominee and Trustee for the Minister, in accordance with the Declaration of Trust, to approve any resolution or similar documentation to approve and adopt the new Articles of Association, as needed.

#### 5. Reasons for Decisions

Priority number 13 of the Minister’s 2023 Ministerial Plan involves developing the governance arrangements for arm’s length bodies, which includes the States-owned entities (“SOEs”). Following the adoption of new Memoranda of Understanding with the wholly owned SOEs in May 2022, the Shareholder team commenced a project to review the Memorandum and Articles of Association for these same entities.

A new Memorandum and Articles of Association for Ports has been drafted which align with modern corporate governance standards and has been agreed with the Ports Board. The proposed new Memorandum and Articles of Association has been subject to legal review.

#### 6. Resource Implications

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

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**APPENDIX**

**New Articles of Association of Ports of Jersey Limited**