DIGITAL JERSEY

25 November 2025

Deputy Inna Gardiner
Chair, Public Accounts Committee
Scrutiny Office
States Greffe
Morier House
St Helier
Jersey
JE1 1DD

Dear Deputy Gardiner,

Re: Arm's Length Bodies, Grants and Subsidies Review – Request for Further Information

Thank you for your letter dated 13 November 2025 requesting further clarification from the Board of Directors of Digital Jersey in relation to the Public Accounts Committee's review of Arm's Length Bodies, Grants and Subsidies. We welcome the opportunity to provide the following information, referencing our previous written submission, the recent public hearing, and the Remuneration and Nominations Committee Terms of Reference.

1. Remuneration and Nominations Committee Process

The Remuneration and Nominations Committee (RemNom) is a Sub-Committee of the Board, comprising at least three independent non-executive directors, appointed annually by the Board. The Committee is responsible for overseeing the policy for directors' and senior executives' remuneration, making recommendations to the Board, and ensuring appropriate governance arrangements are followed in awarding pay, bonuses, and other compensation. The Committee meets at least twice a year, with proceedings minuted by the Company Secretary.

The Board itself approves the remuneration of directors. The CEO is currently the only executive director on the Board.

a. Government of Jersey Involvement

The Government of Jersey is not directly involved in the RemNom Committee's deliberations. However, our pay budget and proposals are included in the annual budget submission to Government, and the Economy Department receives advance notice of our pay intentions. While Government may raise queries, it does not participate in the Committee's decision-making.

2. Performance Criteria, Benchmarks, and Evaluation Frameworks

Executive remuneration is determined following an annual appraisal process, which assesses performance against a set of agreed objectives (both personal and organisational). The RemNom Committee considers achievement of key results, cost of living factors, and relevant market data in its recommendations. The Board also approves the pay policy for all staff and sets limits on amendments to pay via the scheme of delegation.

3. Alignment with Government of Jersey Objectives

Our annual operational plan is developed in line with Government of Jersey objectives, particularly those of the Economy Department. Key Performance Indicators (KPIs) are agreed with the Board and approved by the Minister each year, ensuring alignment with Government priorities. Performance against these KPIs is reported quarterly to both the Board and Government.

4. Examples of Remuneration Adjustments

The CEO is the only executive director. The CEO's remuneration history is as follows:

- **Starting remuneration:** £165,000 base salary plus £20,000 bonus (total £185,000)
- **Current remuneration:** £236,000 base salary plus £25,000 bonus (total £261,000)

If the CEO's remuneration had increased strictly in line with inflation since appointment in 2015, the total would now be £279,000. In practice, the CEO's total remuneration has increased by 41% over the period, compared to cumulative inflation of 51%. This demonstrates that remuneration increases have been below the rate of inflation.

All adjustments have been determined in accordance with the processes outlined above, taking into account organisational performance, individual appraisal outcomes, and market conditions. The CEO's salary is also published within the Company's annual review in accordance with the C&AG Annual Reporting guidelines.

5. Terms of Reference for the Remuneration Committee

Please find attached the current Terms of Reference for the Remuneration and Nominations Committee.

6. Board Assurance on Committee Decisions

The wider Board gains assurance through regular reporting from the RemNom Committee, review of the annual appraisal process, and approval of all executive remuneration decisions. The Committee Chair reports to the Board after each meeting, and recommendations are discussed and minuted.

7. Audit and Government Involvement in Remuneration Process

The remuneration process is subject to annual external audit, with financial statements published accordingly. The Government of Jersey is kept informed through the budget submission process and regular partnership meetings, but does not audit the remuneration process directly.

We trust this response addresses the Committee's queries. Where confidential or sensitive information is provided, this is clearly marked and submitted separately as requested. Should you require further detail or clarification, please do not hesitate to contact us.

Yours sincerely,

Frank Walker

Frank Walker
Chairman
Board of Directors, Digital Jersey

Digital Jersey Limited

Remuneration and Nominations Committee

Terms of Reference

1. Membership

1.1 The Committee shall comprise at least three members, all of whom shall be independent non-executive directors. This may include the Chair of the Board, if he or she is a non-executive director.

1.2 Members of the Committee shall be appointed by the Board.

1.3 Only members of the Committee have the right to attend committee meetings. However other individuals such as the Chief Executive, the Chief Operating Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

1.4 Appointments to the Committee are made by the Board following the Company's annual meeting each year.

1.5 The Board shall appoint the Committee Chair who shall be an independent non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chair of the Board shall not the be the Chair of the Committee.

2. Secretary

2.1 The Company Secretary or his or her nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

2.2 . The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

3. Quorum

3.1 The quorum necessary for the transaction of business shall be more than 50% of the membership.

4. Meetings

4.1 The Committee shall meet at least twice a year and otherwise as required.

5. Notice of Meetings

5.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair. Meetings may also be called by a majority of members of the committee.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

6. Engagement with shareholders (Trustees)

6.1 The Committee Chair should attend the annual general meeting to answer any questions on the Committee's activities. In addition, the Committee Chair should seek engagement with trustees on significant matters related to the Committee's areas of responsibility.

7. Duties

The Committee is responsible for remuneration matters and nomination matters. The duties of the Committee are set out separately below.

Remuneration:

The Committee shall:

7.1 Have delegated responsibility for overseeing the policy for directors' and senior executives' remuneration and making recommendations to the Board. The Board itself, should approve the remuneration of the directors.

7.2 Design remuneration policies and practices to support strategy and promote long-term sustainable success.

7.3 Ensure appropriate governance arrangements are followed in awarding pay awards for executives, including pension rights and any compensation and / or bonus arrangements.

7.4 Review workforce remuneration and related policies and make recommendations to the Board as required.

Nominations:

The Committee shall:

7.5 Have responsibility for overseeing the Board structure, size and composition, and succession planning and making recommendations to the Board.

7.6 Oversee the appointment of new Board members, taking into account the skills required and ensuring a fair and open process.

7.7 Ensure appropriate governance arrangements are followed for the appointment of Board members including, where applicable:

- 7.7.1 involvement of the Jersey Appointments Commission
- 7.7.2 assessment of conflicts; and
- 7.7.3 confirmation of contractual arrangements.

8. Reporting responsibilities

8.1 The Committee Chair shall report to the board after each meeting on the nature and content of its discussion, recommendations and action to be taken.

8.2 The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be available for board discussion when necessary.

8.3 The Committee shall approve a report to be included in the Company's annual report about its activities.

9. Periodic Reviews

The Committee shall

9.1 Have access to sufficient resources in order to carry out its duties

9.2 Arrange for periodic reviews of its own performance, every three years, its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

10. Authority

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

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