

✓ O'Dwyer

GRO

Mr M Russell
Shareholder Executive
1 Victoria Street
London
SW1H 0ET

25 September 2014

Dear Mark

Many thanks for your letter of 18 September. Please find enclosed the appointment letter, duly signed.

Yours sincerely,

GRO

Robert Swannell

Terms of reference for appointment of Chairman of the Shareholder Executive

Robert Swannell

This document sets out your principal terms and conditions of appointment.

1. You are appointed by the Secretary of State for the Department of Business, Innovation and Skills (BIS) as Chairman of the Shareholder Executive. Your appointment will begin on 1 September 2014.

Duration

2. Subject to earlier termination your appointment will be for a fixed period of three years with the possibility of extension. It will run from 1 September 2014 to 31 August 2017 ("the fixed period").

Job title and duties

3. You are appointed as Chairman of the Shareholder Executive. The Board will meet approximately every two months and meetings will be held in Central London. The time commitment is likely to be around half a day per week.
4. As Chairman, your key role will be to provide high level strategic direction to the Shareholder Executive. Key responsibilities of the post will include:
 - lead the Board of Directors, ensuring their effectiveness in all aspects of their advisory role;
 - lead bi-monthly Board meetings in determining future strategy and direction for the Shareholder Executive;
 - facilitate, promote and ensure the effective contribution of all Executive and Non-Executive Directors and ensure that constructive relations exist between them;
 - develop a constructive, frank and open relationship with the Chief Executive, holding him/her accountable for the effective implementation of decisions;
 - be actively available for the continued mentoring and support of Shareholder Executive colleagues;
 - maintain and develop successful relationships with the Chair of portfolio businesses and to offer mentoring where appropriate;
 - maintain and develop robust relationships with the Permanent Secretaries and senior Government Officials of HM Treasury, the Cabinet Office and No.10.
5. You are not an employee. Accordingly nothing in this letter or its annexes shall be construed as, or taken to create, a contract of employment between yourself and the Department or Her Majesty's Government.

Remuneration

6. Your remuneration will be £20,000 a year. This will be paid monthly in arrears.
7. You will be notified in writing of any change to your remuneration.

8. This appointment is classified as an "Office Holder" for tax and National Insurance purposes and, as such, under Section 19(1) Income and Corporation Taxes Act 1988, the fee is liable to tax under Schedule E and attracts Class 1 National Insurance liability.
9. Your remuneration will not attract any eligibility for or benefits from the Principal Civil Service Pension Scheme.

Expenses and Subsistence

10. The Department will reimburse all reasonable expenses (including travel, subsistence and other expenses) properly and necessarily incurred in respect of your appointment. A completed Travel and Subsistence form together with supporting receipts should be sent to Isaac Phillip, Shareholder Executive, Upper Ground Abbey 1, Victoria Street, London SW1H 0ET.
11. As an "Office Holder", payments made to you in respect of your travel and subsistence expenses to and from the usual place of work for this appointment are taxable under Schedule E and also attract Class 1 National Insurance liability (this is not likely to be the case for activities in relation to this appointment which take place away from the usual place of work). However, the amount you receive for travel and subsistence in these circumstances should be equivalent to the amount you actually spend. The Department has therefore entered into special arrangements with HM Revenue and Customs which means that effectively it can pay the tax on your behalf by paying it to HM Revenue and Customs at a special rate. The Department will also pay your share of the National Insurance contributions that are due.

Notice

12. Either party may terminate this appointment before the expiry of the fixed period by giving one month's notice in writing.
13. The Secretary of State may terminate your appointment immediately, by giving notice in writing, if you are guilty of conduct that means that you are unsuitable to continue to hold this appointment.
14. You will receive no notice if this appointment is terminated early by mutual consent.
15. If the Secretary of State proposes to terminate your appointment prior to the expiry of the fixed term other than through immediate termination as a result of unsuitable conduct, you will be notified of the proposal and of the reasons for it, and if appropriate you will be offered an opportunity to make representations before any final decision is taken. If your appointment is subsequently terminated, you will receive notice in writing.

Conduct

16. It is essential that you are, and are seen to be, honest and impartial in the exercise of your duties. You must not allow your judgement or integrity to be compromised or permit there to arise any reasonable grounds for suspicion as to the compromise of your judgment and integrity. The Seven Principles of Public Life, attached for your information at Annex 1, provide good guidance in the standards expected of the Chairman of the Shareholder Executive.
17. If you believe you are being required to act in a way which:
 - is illegal, improper or unethical;

- is in breach of constitutional convention or a professional code;
- may involve possible maladministration; or
- is otherwise inconsistent with the Seven Principles of Public Life;

you should report the matter in writing to the Secretary of State.

Confidentiality / use of official information

18. You are required to exercise care in the use of information that you acquire in the course of your duties and to protect information that is held in confidence.
19. You are also subject to the Official Secrets Act 1989.

Conflicts of interest

20. You must declare to the Secretary of State or Permanent Secretary, any personal or business interest which may, or may be perceived (by a reasonable member of the public) to influence your judgement in performing your functions and obligations under this agreement. These interests include (without limitation), personal direct and indirect pecuniary interests, and, any such interests of you close family members and/or or people living in the same household as you or as your close family members.
21. Accordingly, when replying to this letter, please include a list of all directorships or other offices held and a note of the names of any companies in which you have shareholdings or other beneficial interests. You should also keep the Permanent Secretary advised of any new directorships, offices or fresh acquisition of shares. This information will, of course, be held in confidence.
22. You must inform the Secretary of State or Permanent Secretary, in advance, of any new appointments that may impinge on your performance of your functions and obligations under this Agreement.
23. If at any time you feel that you may have a conflict of interest in any of the issues to be considered by the Board, you should bring this matter to the attention of the Permanent Secretary. If this should occur during a meeting itself you should bring the matter to the attention of the Board, which will decide whether or not it would be appropriate for you to withdraw from the meeting.
24. All information on potential conflicts of interest will be held by the Permanent Secretary's office and could be disclosed to the public under the Freedom of Information Act (2000). In entering into this agreement and accepting this appointment you thereby consent to this disclosure.

Declaration of Political Interests

25. You are expected not to occupy paid party political posts or hold particularly sensitive or high roles in a political party. Subject to the foregoing, you are free to engage in political activities provided that you are conscious of your general public responsibilities and exercise proper discretion, particularly with regard to the work of the Shareholder Executive.

Signed:

GRO

Date:

25/09/2014

Further Information

If you have any questions about the above terms of reference or any other issues concerning your appointment, please contact Jeremy Ankers, Board Secretariat.

Shareholder Executive contacts

Board Secretariat: Jeremy Ankers, GRO
Head of Corporate Services: Nigel Smith, GRO
GRO

Annex 1

The Seven Principles

The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs, and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.

1. **Selflessness**
Holders of public office should act solely in terms of the public interest.
2. **Integrity**
Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
3. **Objectivity**
Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
4. **Accountability**
Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
5. **Openness**
Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
6. **Honesty**
Holders of public office should be truthful.
7. **Leadership**
Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

