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Patricia Cronin

From: Patricia Cronin
Sent: 27 January 2005 16:57
To: 'michael.tyndal@anpost.ie'
Subject: An Post Chairperson

Michael

Just to let you know that we have received a press query from the Independent on the remuneration arrangement for Margaret McGinley. The Minister's Press Advisor Grace Cappock proposes to advise the journalist that, arising from the difficult situation in which An Post finds itself, the Minister and Minister for Finance have agreed a special remuneration arrangement for Ms McGinley to reflect her responsibilities and the time commitment required as Chairperson of the An Post Board.

Regards

Patricia

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Date: Saturday, January 29, 2005
Page: 14
Extract: 1 of 1
Circulation: 181,080
Author: Tom Lyons
Headline: An Post chair gets salary boost to €50,000



An Post chair gets salary boost to €50,000

Tom Lyons
AN Post chairperson Margaret McGinley succeeded in more than doubling her salary to €50,000 after agreeing a personal remuneration arrangement with the Government in mid-2004. This salary rise from just €19,000 when the Galway solicitor took the job was backdated to her appointment in February 2003.
The news sparked an angry reaction from An Post trade unions which are in dispute with management over wage demands.
In a statement, the Department of Communications confirmed the pay increase saying: "Arising from the difficult situation in which An Post finds itself, and demands this put

on the role of chairperson of the Board, the then Minister and Minister for Finance agreed in mid-2004 a personal remuneration arrangement for Ms McGinley to reflect her responsibilities and the time commitment now required as chairperson of the An Post Board."
"Ms McGinley had previously sought a daily rate which she considered represented parity with similar arrangements in other State companies."
Ms McGinley, who chairs 11 formal board meetings a year, now earns closer to what ESB chairman Tadhg O'Donoghue earns — according to the ESB accounts, he receives a flat fee plus daily rate to a maximum salary of around €63,000.



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17th September 2004

Mr. Michael Tyndall
Company Secretary
An Post
GPO
O'Connell Street
Dublin 1.

Re: Terms of Appointment of Chairperson of An Post

Dear Mr. Tyndall,

Following correspondence from the Department of Finance concerning fees for the chairpersons of commercial State-sponsored bodies, the Minister for Finance agrees a fee of €50,000 per annum, payable from appointment, in respect of the role of Chairperson of An Post.

Accordingly, the Department wrote to Ms. Margaret McGinley advising of the change in the terms of appointment of Chairperson of An Post and subsequently, Ms. McGinley has accepted the revised terms of appointment.

I have attached for your reference a copy of the signed terms of appointment and would appreciate if An Post could apply the terms accordingly.

Yours sincerely,

Michael O'Dwyer
Assistant Principal
Communications Regulatory & Postal Division.

Tel - 6782955 Fax - 6782919

An Post

General Post Office
O'Connell Street
Dublin 1
Ireland

An Post

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Sráid Uí Chonaill
Baile Átha Cliath 1
Éire

Tel: (01) 705 7000 International + 353-1-705 7000
Website: <http://www.anpost.ie>

(4)

POST

Ms. P. Curran
9/8/9.

MMcG/GC/

7th September, 2004

Mr. Eamon Molloy,
Assistant Secretary,
Department of Communications,
Marine & Natural Resources,
29/31 Adelaide Road,
Dublin 2

Re: Terms of Appointment of Chairperson of An Post

Dear Mr. Molloy,

Thank you for your letter dated the 31st August, 2004 received on the 6th September, 2004.

Please find enclosed signed Acceptance of Terms and I note that you will contact Mr. Michael Tyndall re the said Terms.

Yours sincerely

Margaret McGinley
Margaret McGinley
Chairperson

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TERMS OF APPOINTMENT OF CHAIRPERSON OF AN POST

The terms of appointment of Chairperson of An Post are as follows:-

- i) the appointment will be for five years beginning on 4 February 2003;
- ii) remuneration in respect of Chairperson of the Board will be at the rate of €50,000 per annum;
- iii) the Chairperson will not be entitled to receive any remuneration additional to her remuneration as Chairperson of the Board in respect of any other services over and above those of Chairperson performed by her for and on behalf of the Company, save with the consent of the Minister for Finance;
- iv) the Chairperson will be required to devote to the performance of his/her duties as Chairperson of the Company as much of her time as may be necessary for the proper and efficient discharge of those duties;
- v) if the Chairperson is removed from office or ceases otherwise to hold office, she shall have no claim for compensation or other payment in respect of such removal or cesser.

I accept the foregoing terms.

SIGNED:

Margaret Mc Ginley

DATE:

7th September, 2004



30. August, 2004

Ms. Margaret McGinley
Chairperson
An Post
GPO
O'Connell Street
Dublin 1

Mr O'Dwyer ^{6/9}
Ms Bate
p/ Sect hb
(6)

Dear Chairperson,

Following correspondence from the Department of Finance concerning fees for the chairpersons of commercial State-sponsored bodies, the Minister for Finance agrees a fee of €50,000 per annum, payable from appointment, in respect of your role as Chairperson of An Post.

Please find attached a revised form in respect of the terms of appointment of this post which should be completed and returned to the Department.

The Department will shortly notify Mr Michael Tyndall of the new arrangements.

Yours sincerely


Eamonn Molloy
Assistant Secretary

29-31 Adelaide Road,
Dublin 2
29-31 Bóthar Adelaide
Baile Átha Cliath 2

Tel: +353 1 678 2000
LoCall: 1890 44 99 00
Fax: +353 1 678 2449

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GTN +1 18

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- iv) the Chairperson will be required to devote to the performance of his/her duties as Chairperson of the Company as much of her time as may be necessary for the proper and efficient discharge of those duties;
- v) if the Chairperson is removed from office or ceases otherwise to hold office, she shall have no claim for compensation or other payment in respect of such removal or cesser.

I accept the foregoing terms.

SIGNED: _____

DATE: _____



An Roinn Airgeadais
Department of Finance

Alb. P. Cronin (7)
28/7.
For File
Chair of Justice

73-79, Sráid an Mhóta Iocht., Baile Átha Cliath 2, Éire.
73-79, Lower Mount Street, Dublin 2, Ireland.
Telephone: 353-1 676 7571
Facsimile: 353-1 604 5751
LoCall: 1890 66 10 10
VPN: 8109
<http://www.irishgov.ie/finance>

26 July 2004

Mr Brendan Tuohy
Secretary General
Department of Communications,
Marine & Natural Resources
Dublin 2

FAO JKmp - re draft - reply in discussion with divisions
For Observations
For Action
For Follow up *EMolloy / PCronin - re follow up*
For Information
C.C. M Brennan.
Date 28/7/04.

Dear Brendan

I refer to your letter of 20 July 2004 concerning fees for the chairpersons of commercial State-sponsored bodies.

The Minister is now prepared to agree a fee of €50,000 in the case of An Post, having regard to the case previously made in relation to the particular challenges and pressures of that position. This exceptional arrangement may apply to the present chairperson with effect from the date of her appointment.

Yours sincerely

Ciarán Connolly
Assistant Secretary

RECEIVED IN SECRETARY
GENERAL'S OFFICE
28 JUL 2004
COMMUNICATIONS MARINE
AND NATURAL RESOURCES

Issued

Ms Bate
pl seat

⑧
hp
27/7/04

20 July, 2004

Mr. Ciarán Connolly
Assistant Secretary, Personnel and Remuneration
Department of Finance
73 – 79 Lower Mount Street
Dublin 2

Dear Ciarán,

re: Fees for Chairpersons of commercial State-sponsored Bodies

I refer to previous correspondence relating to the question of the adequacy of remuneration for Chairpersons of the commercial State-sponsored Bodies in the context of their overseeing these bodies through a period of major change and challenge. Specifically we wish to address the time commitment that it is necessary for them to dedicate to fulfilling the role of Chairperson in a satisfactory manner. In light of recent requirements with regard to corporate governance generally, I am sure you will appreciate the importance of having competent and committed chairpersons.

As you are aware, special fee arrangements for certain of the Chairpersons of commercial State-sponsored Bodies have been sanctioned in the past, not just those under the aegis of this Department but notably those under the aegis of the Department of Transport also. In this Department's sphere, the only Chairperson currently in receipt of an additional allowance is ESB, which dates from 2001. That arrangement amounts to the usual per diem allowance (€635) for attendances in excess of one day per week.

In the case of the other commercial Bodies under our aegis (Bord Gáis, RTÉ, Bord na Móna, An Post and EirGrid) it can be said that the Chairpersons of each of them have found it absolutely necessary to dedicate more than the "standard" time commitment of one or two days per month both in order to oversee the ordinary business of the Board, with the current day onerous corporate governance requirements and also to satisfactorily steer the companies through the extraordinary challenges they are all facing at this time. I stress that in no case does this extra time commitment amount to any of the Chairpersons taking on more than their fair share of duties or in any way assuming the role of an executive Chairperson. It is simply that in the modern environment, with the rapidly changing market situations in which all of these Bodies now operate and the higher corporate governance expectations, the traditional model of attendance (one or two days per month) which functioned in the past is no longer adequate. They are all now operating in more competitive markets and our expectations of the Chairpersons is much higher. Chairpersons in these circumstances have found their role very challenging and necessarily time-consuming. I stress also that attracting suitably talented individuals with wide experience in the private sector, will become almost impossible if we do not adequately such people.

Given the backgrounds of the people involved and accepting that the circumstances of commercial State-sponsored Bodies are changing radically – and that this pace of change is increasing – we would support the request that the standard per diem arrangement be sanctioned in the case of each of these five Bodies (Bord Gáis, RTÉ, Bord na Móna, An Post and EirGrid). We would suggest that in each case it operate up to a limit of €50,000 per annum.

Your favourable consideration is requested please.

Yours sincerely,

Brendan Tuohy
Secretary General