



## BACKGROUND NOTES

### INTRODUCTION

Welcome to the board of directors of JEWELL Limited.

There are a number of decisions the board needs to make, led by the Chair, Mrs. W Stevens, along with the WDP participants who will play the independent Non-Executive Directors.

Sir Donald Brydon will play the role of JEWELL's CEO, Mr. Charles K Tang. The role play will, through their actions, create situations for the "Board" to deal with. Course participants will act as Mrs. Winnie Stevens, the Chair and the 11 independent Non-Executive Directors.

### INFORMATION APPENDED

1. JEWELL company profile
2. HR and Compensation Committee paper for HR & Compensation meeting
3. Board papers:
  - CEO's report (to be shared at a later date but before the Board meeting)
  - Proposal for a new factory investment
  - Proposal for an acquisition

Various new information will be shared during the course of the Board meeting.

### CHAIR

The WDP participants will be divided into two similar sized groups of 11 who will sit on consecutive days. The "boards", will run in 'parallel' format, each forming the iNEDs of JEWELL. Each group will be asked to select from amongst their body a Chair for their Board (this will take place on the prior day to the simulation), and a separate Chair for the HR&CompCo.

Thought should be given in advance as to the characteristics required of the Chair(s) to aid selection.

### AGENDA

The Chair of the Board should set an appropriate Agenda for the Board meeting.

1.30 HKT - The Opening session will start with a short HR&CompCo of 30 minutes, to discuss 2 proposals from the CEO

2.05 HKT – After a 5-minute break, The Board will then convene for the start of the board meeting led by the Chair

Minutes from the previous board meeting and other formalities will be assumed to have been completed before the simulation begins. The papers on Investment and Acquisition will have been circulated to all participants in advance.

Unfortunately, the CEO Mr. CK Tang, was not able to submit his CEO report ahead of the deadline for early circulation and has promised to provide this on the day prior to the board meeting. Other information will be made available to the Board as it is obtained.

## ISSUES FOR THE CHAIR TO THINK ABOUT

- The Chair needs to decide how to prioritize the different issues in front of the Board.
- The CEO's report will reference an incident and the Chair will need to decide whether to address this at the start or wait for the CEO's verbal presentation.
- The Chair will need to consider how to bring each of the various discussions to a timely conclusion.
- The Chair needs to ensure all members of the board are given time and support to contribute, but that the sessions run to time and conclude appropriately.

## ITEMS FOR CONSIDERATION

Board members may wish to consider (amongst other matters):

- Accounting practices, shape of the balance sheet, and future financing
- Status of Mr. Tang's loans
- Conflicts of interest
- The economy
- Currency, operational and other risks
- Control policies
- Relationship with shareholders
- The state of the pandemic
- Risk
- HR and Talent

**Sir Donald Brydon** will play Mr. CK Tang, CEO.

Sir Donald is currently;

Chair of Adarga (an AI company for security and defence sector)

Chair of Tide Holdings (SME finance and admin platform)

Chair of PrimaryBid (IPO investment platform)

Chair of Chance to Shine (to get more children into cricket - 450,000 kids in 3900 state schools in 2021 alone)

iNED of PE firm Hanover Investors

He is former Chair of FTSE100 IT firm Sage plc, London Stock Exchange Group LSEG plc, Royal Mail where he privatized the 500 yr old organisation, Smiths Group, London Metal Exchange, Amersham and Taylor Nelson Sofres. He has held interesting NFP Chairman roles included the Medical Research Council and EveryChild. He recently produced an important and landmark white paper, The Brydon Review for

government and the Audit world which will have wide ranging impact on how corporate boards will audit in the future. Sir Donald in his earlier career was Chair and CEO of BZW Investment Managers, before being COO and then CEO of AXA Investment Managers.

From McKinsey & Co;

Balance trust with challenging discourse. According to a McKinsey Global Survey, the boards that are most effective and well-rounded also have the strongest board dynamics, characterized by openness, trust, and collaborative senior executives and board directors—a group that includes the CEO and the chair, a crucial factor. Directors possessing these collaborative tendencies must balance them by thinking like owners and guarding their authority, or there will be little constructive challenge between independent directors and management, and the board's contribution to the company's fortunes is likely to fall short of what it could be. It's no coincidence, then, that directors at leading boards report these characteristics most often.

Some thoughts to keep in mind:

1. Martin Luther King: "A real leader doesn't search for consensus, but molds consensus."
2. Ratan Tata: "I don't believe in taking the right decisions. I take decisions and then make them right."
3. Steve Jobs: "The most important decisions you make are not the things you do, but the things you decide not to do."
4. Douglas Adams: "I love deadlines, I love the whooshing sound as one goes by."
5. Theodore Roosevelt: "In any decision, the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing."
6. Jack Welch: "Before you are a leader, success is all about growing yourself. When you become a leader, success is all about growing others."
7. Andrew Carnegie: "No-one makes a great leader who wants to do it all themselves or get all the credit for doing it."
8. Anita Roddick: "People are motivated when you guide them to the source of their own power and make heroes out of employees who personify what you want to see in the organization."
9. Jack Welch: "Emotional intelligence is rare; my experience says it is actually more important in the making of a leader."
10. "One of the best attributes for a board member, is inquisitiveness. You should question the things you don't know or don't understand. If you don't, after a while it's too late" Sir Donald Brydon

Some qualities of good leaders:

- Clearly defined moral compass (set of virtues) - honesty and integrity are vital
- Strong communication skills. Emotional intelligence is important
- Strategic thinker – the ability to see the big picture coupled with a head for details
- The ability to develop trust and cooperation in a team
- Sound decision maker – comfortable with making tough decisions, knowing when and how to elicit advice and input.