



THE ROLE OF THE MANAGING DIRECTOR

A positive relationship between the Board and the MD is essential to the health of the Company. The main source of concern in Board-MD relationships tends to result from a simple misunderstanding of the relationship between the directorial and managerial roles. To avoid this misunderstanding it is necessary to build a relationship that ensures a free flow of information and common understanding of the Company's vision by:

- ◆ Developing, with the Board, a consensus for the Company's vision and direction;
- ◆ Constructing, with the Company's management team, programs to implement this vision;
- ◆ Developing a Strategic Plan and Policies for the Company and bring them to the Board for endorsement;
- ◆ Negotiating the terms and conditions of appointment of senior executives for Board approval;
- ◆ Appointing the senior management team with Board endorsement;
- ◆ Approving the terms and conditions of appointment of all other staff members;
- ◆ Providing strong leadership to, and effective management of, the Company in order to:
 - ▶ encourage cooperation and teamwork;
 - ▶ build and maintain staff morale at a high level; and
 - ▶ build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;
- ◆ Ensuring a safe workplace for all personnel;
- ◆ Ensuring a culture of compliance generally, and specifically in relation to environmental matters;
- ◆ Carrying out the day-to-day management of the Company;
- ◆ Forming other committees and working parties from time to time to assist in the orderly conduct and operation of the Company;
- ◆ Keeping the board informed, at an appropriate level, of all the activities of the Company; and
- ◆ Ensuring that all personnel act with the highest degree of ethics and probity.

Other than powers subscribed to the Board, the MD is formally authorised to approve all expenditures in the budget.

- ◆ The MD's compensation and those reporting directly to him/her, must be authorised by the Board on recommendations from the Remuneration Committee;
- ◆ All business-related expenses paid to the MD must be authorised or ratified by the Chairman; and

- ◆ While the Remuneration Committee must approve the terms and conditions of employees reporting to the MD, the appointment of individuals to specific management roles is the responsibility of the MD.