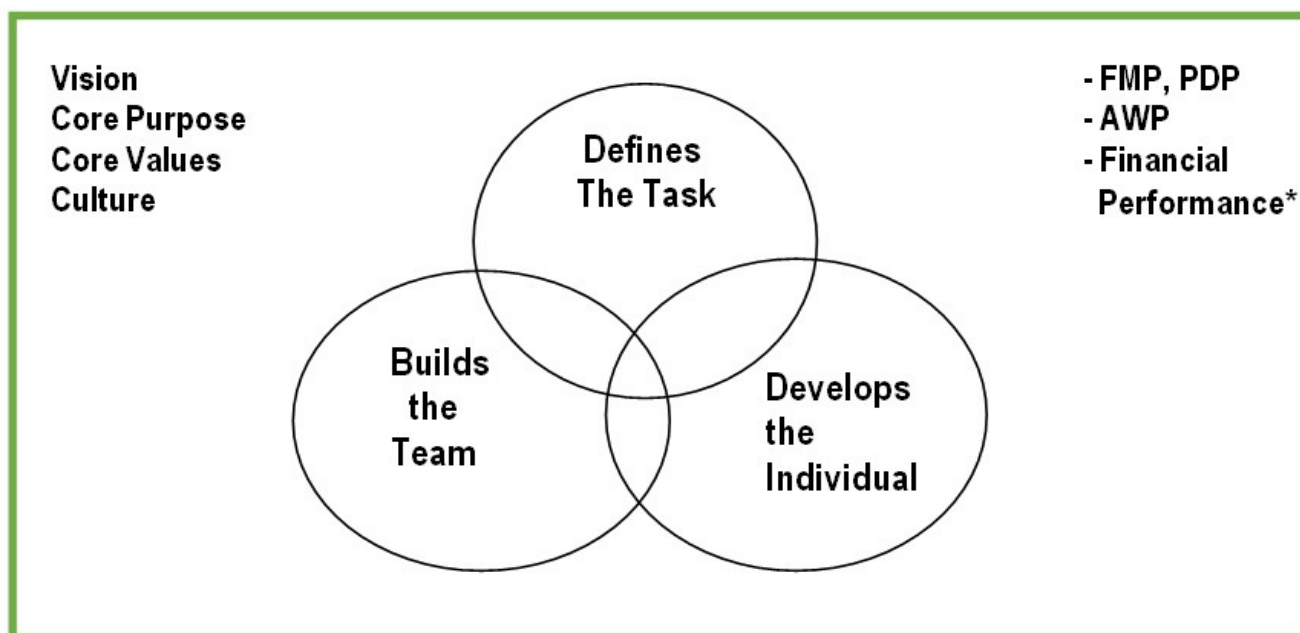


A Note from The Managing Director: Leaders and Managers

Dear All,

At the end of 2017 assessment, several of our senior staff expressed a desire to improve themselves, by being better managers and leaders. MDO has been looking at external trainers but decided to develop our own model (easier to explain and understand, and use some live examples to apply its teaching) which will have greater impact in our performance. In essence, this is our "Sapulut's Model of Leaders and Managers".



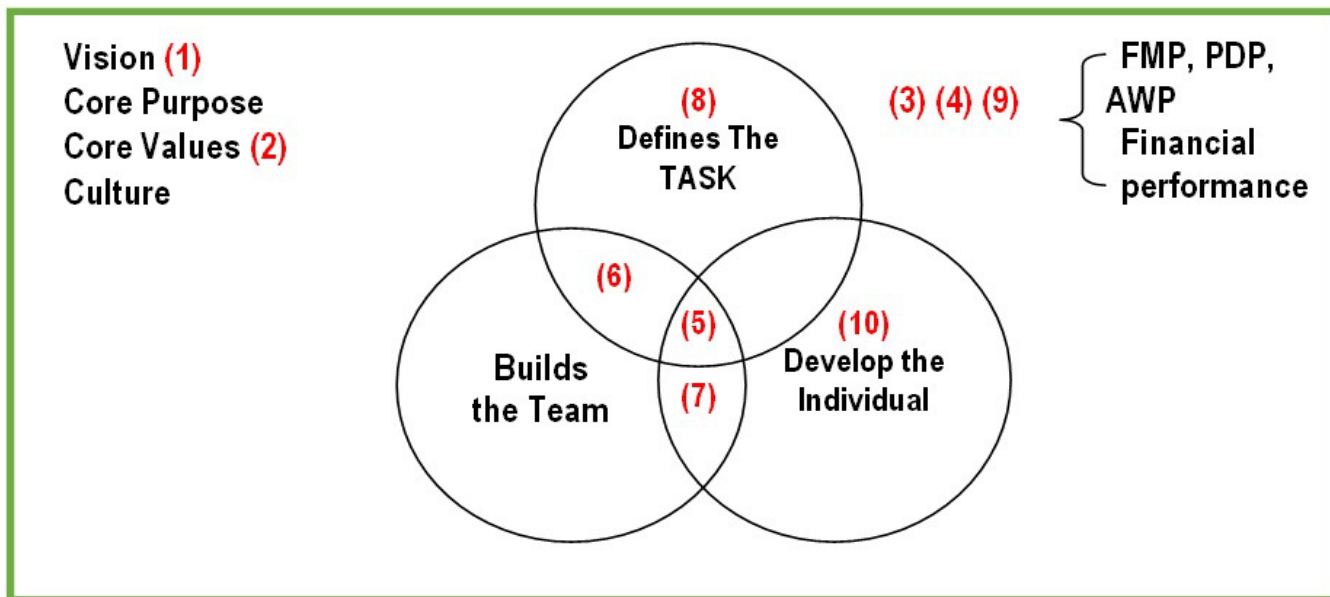
Sapulut's Model of Leaders and Managers

*I added this additional metric because performance under FMP, PDP and AWP must include financial performance.

When we presented this model to Team Sapulut in Q1 2018, we also used Sir Alex Ferguson as a role model of "a great leader and manager". Our FAD Manager, Matthew Wong drew our attention to an article "The Skills Leaders Need at Every Level", Jack Zenger and Joseph Folkman, Harvard Business Review. These "Top Ten Skills" were voted, in order of importance. They are:

1. Inspires and motivates others;
2. Displays high integrity and honesty;
3. Solves problems and analyzes issues;
4. Drives for results;
5. Communicates powerfully and prolifically;
6. Collaborates and promotes teamwork;
7. Builds relationships;
8. Displays technical or professional expertise;
9. Displays a strategic perspective;
10. Develops others.

We now look at our “Sapulut’s Model Leaders and Managers”, and relate to the “Top Ten Skills”, and see how to apply our model to improve our leadership and management skills. I have overlaid the “Top Ten Skills” on to our model.



Sapulut’s Model of Leaders and Managers and its relationship with the “Top Ten Skills” Leaders/Managers need at every level.

- (1) **Inspires and motivates others** through our Vision of “Bringing Back the Natural Forest and Manage it sustainably;
- (2) **Displays high integrity and honesty** by “Doing the right thing even though no one is watching”. Trust and transparency is a cornerstone of Sapulut’s culture, and it is on this foundation that we build a high performing company that can bring benefit to society and the environment;
- (3),(4) and (9). **Solves problems and analyzes issues;**
Drives for results;
Displays a strategic perspective - all these are reflected in the FMP, PDP and AWP as these are our strategic plans which define our goals. For example, the FMP degenerates into AWP, which degenerates into tasks, which degenerates into action on the ground.
- (5) **Communicates powerfully and prolifically** – this is in the centre of our 3-circle model. Our regular SIX meetings, CSIX Meetings, this newsletter, are indicators of this in action.
- (6) **Collaborates and promotes teamwork** – base on the strength of the person, and the task at hand, we build the team we put a “round peg in a round hole”.
- (7) **Builds relationships** – this is in the heart of a leader and manager, the centre of everything we do. The FMU is a big and complex matter, and the only way to succeed is to work as a team. To work as a team, we need to build trust, and to build trust we need transparency and acceptance of each other - that is the basis of a good relationship.
- (8) **Displays technical or professional expertise** – A leader and manager understands the goals, leads and guide the achievement of those goals through his / her definition of the tasks;
- (10) **Develops others** – the leader and manager guides the person to be a better version of the individual, through the practice of core values and performance of Sapulut’s goals. It is best that the personal values of the individual and Sapulut’s values are in alignment.

We live in a third world country. To manage Sapulut well, we need first world practices, institutions, governance, mindset, management talent and technology to succeed. All the above are not directly controllable by us, except our mindset. By applying a first world mindset in our “Sapulut’s Model of Leaders and Managers”, is the way to a high performing Sapulut. This will be our contribution to society and the environment (our Stakeholders) and make some return for our shareholders as well.