



EXAMPLE

BOARD OF DIRECTORS ROLE

Term Limit Policy:

3 year terms renewable up to 5 times (15 total years) and no term to start after the age of 75. Exceptions can be recommended by the Nominating Committee.

General Responsibilities:

The board members have a fiduciary responsibility to care for the finances and legal requirements of the corporation. They must act in good faith and with a reasonable degree of care, loyalty and attention and they must not have any conflicts of interest. The interests of the company must take precedence over personal interests of individual board members.

The board is to represent the interests of the shareholders, as the owners of the family enterprise, in directing the business and affairs of the corporation within the law and in alignment with the Family's mission, vision, and values.

As primary advisors to the CEO, the board's specific duties are:

- Engage in a value-adding, lively, and forward-looking strategic discussion with management about the activity and direction of the company.
- Ensure a strong management team is in place. Ensure succession and development plans support the availability of a strong team.
- Seek clarity around the family values, vision and objectives as context for board decision-making. Evaluate business performance, strategic plan and strategic opportunities in light of these values and objectives.
- Hold the CEO accountable for defining and achieving strategic, operating, mission and financial objectives.
- Review, evaluate and approve the strategic plan, operating and capital budgets, ensuring appropriate allocation of resources in line with strategic goals.
- Ensure that an appropriate performance management program is in place. Approve compensation recommendations for executive and senior management made under the performance management program.
- Ensure appropriate board role and responsibilities, meeting agendas, preparation, facilitation and evaluation to ensure the Board operates effectively.
- Authorize and Approve Annual Financial Audit
- Authorize and Approve Dividends, Capital expenditures, Annual Operating Budgets, and any major structural changes to Company
- Assure Dividend policy balances needs of business and the needs of the Shareholders
- Monitor Risk Management



- Evaluate and ensure the Development the CEO
- Approve Senior Management Incentive Plans
- Ensure there is a process for Senior Management Succession Plans
- Consult and advise Class A Shareholders
- Ensure Company Ethics and Compliance within relevant laws, regulations, and key policies

Specific responsibilities of independent directors include:

- Provide advice, counsel and support to the CEO and senior leadership team toward addressing strategic issues and opportunities. Leverage leadership, functional and industry experience to provide context and insight around issues faced by the company.
- Share information on best practices that can improve management and board processes.
- Take the lead in fulfilling board roles related to evaluation of family management performance, family management compensation, and other issues at the intersection of family and business.
- Take the lead on key committees such as Audit/Finance and Compensation committees.
- Educate oneself on the ownership structure, governance and decision-making processes of the ownership base.
- Understand the history, culture, legacy and values of the family and business.
- Be prepared to participate in family gatherings to engender the trust of the owners, learn about the family ownership, and communicate the board's perspective on the business and its governance.

Additional Family Board Members' Duties:

- Ensure appropriate content and frequency of communication between board, company and family owners with goal of creating alignment
- Ensure that family legacy, values, and mission are reflected in board and management actions.
- Serve as a communication link between voting trustees and the board. Ensure voting trustees are apprised of any issues relevant to their decision making and are appropriately aware of board decisions.
- Encourage the board to seek input from voting trustees and family governance structures on issues related to ownership vision and objectives.
- Be a resource for independent directors seeking to understand the history and values of the family business, ownership vision and objectives.
- Invest the time required to become educated on the business, from an industry, financial and strategic perspective, and constantly seek opportunities to gain knowledge that will increase value of input to the board.
- Come to board meetings well-prepared to participate in board discussions, and when appropriate, seek clarification on specific topics to be presented at board meetings in advance of the meeting.



Desired Competencies:

- Demonstrated leadership in a relevant industry including Senior Management experience
- Strategic expertise
- Financial acumen
- Risk Management
- Legal acumen
- Diplomatic communication skills
- Display of integrity and ethical behavior always
- Coaching ability
- Strong independence and courage
- Has extensive knowledge, skill and experience in at least one of the critical success factors of the business
- Specific needs that complement business management expertise
- Possesses a strong network and is a relationship builder