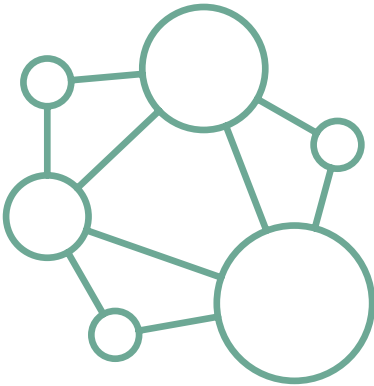




FAMILY LEGACIES

FAMILY BUSINESS GOVERNANCE DOCUMENT



THE FOLLOWING ARE THE ROLES THAT SHOULD BE INCORPORATED INTO A FAMILY BUSINESS GOVERNANCE DOCUMENT



1

ADVISORY BOARD

An Advisory Board is an excellent tool for ensuring that ideas are evaluated by professionals who are able to think outside of the box. In most circumstances, the Advisory Board should consist of outsiders or people who are not affiliated with the family. Outsiders have the unique ability to review ideas, provide suggestions, and offer direction that may not be obvious to family members who are actually working within the business.

2

BOARD OF DIRECTORS

The Board of Directors approves the ideas and strategies of the family business leaders. The Board should consist of individuals with adequate knowledge of company operations as well as the ability to make informed and intelligent choices for the betterment of the company as a whole.

3

CHAIRMAN OF THE BOARD

In most family businesses, the Chairman of the Board is both a family member and a shareholder who has a sincere interest in the success of the family business.

4

CHIEF EXECUTIVE OFFICER

The role of Chief Executive Officer (CEO), is prestigious and important. In conjunction with the rest of the company leaders, the CEO is responsible for the success of the business. This success is defined by having a business that meets corporate goals, performs to expectations and shows adequate return on investment.

5

CHIEF FINANCIAL OFFICER

The Chief Financial Officer (CFO) oversees and manages the financial aspects of the family business. This role requires extensive financial expertise and background that includes accounting skills.

6

THE FAMILY BUSINESS COUNCIL

It is a good idea for family businesses to hold regular meetings in which family members are informed about the current status of the business and any future business plans. The purpose of the Family Business Council is to make sure the family is fully informed about family business matters.