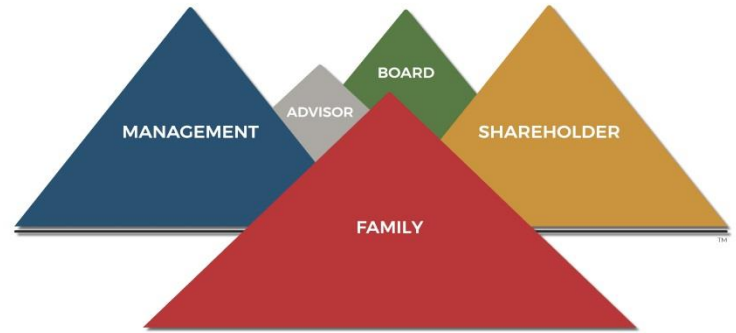


# Introducing our 5 MOUNTAIN<sup>®</sup> Process

Simply put, preparing enterprising families for generations of success is a journey that involves the development of 5 MOUNTAINS (**Teams and Structures**) described briefly below.

Family members and their key advisors share responsibility to understand the purpose, responsibilities, and boundaries of each MOUNTAIN and how changes in one MOUNTAIN almost always lead to intended and/or unintended change in other Mountains; the MOUNTAINS are exquisitely linked together.



## FAMILY MOUNTAIN

**The bedrock of every family business, the Red Mountain team “builds family muscle” through nurturing healthy relationships, communication, and decision-making.**

- Plans family connection times, including educational events on family and/or business-related topics
- Champions personal and leadership development of each family member
- Clarifies expectations and healthy boundaries between the family and other Mountains

## SHAREHOLDER MOUNTAIN

**Represented by the Gold Mountain, the Shareholder Team holds primary stewardship for and ultimate control over the Management and Board MOUNTAINS. While these family members are often referred to as “owners”, we use the term “Shareholders”. After the first generation, most family members own only a “share”. Thus, shareholders hold less authority than a sole owner, but usually hold much more authority than a shareholder in a public company.**

- “Speaks with one voice” about their values and vision for the company through a written *Shareholder Covenant*
- Selects directors for the Board who act on their behalf; participates in Annual Shareholder Meetings
- Oversees the preparation of the Rising Generation Shareholders and selects the next team of shareholders

## BOARD MOUNTAIN

**The Board, represented by the Green Mountain, translates the Shareholders’ desired outcomes (vision, values and policies) into business performance. The best boards usually have a mix of independent directors & family members.**

- Reviews and approves company strategy and budgets proposed by Management
- Selects, nurtures, supervises, and oversees the transition of President/CEO
- The Compensation Committee, composed of independent directors, oversees the compensation of family members

## MANAGEMENT MOUNTAIN

**Represented by the Blue Mountain, management — led by the President/CEO:**

- Develops strategy, culture, and strong teams that can compete effectively in the marketplace
- Creates efficient systems/processes consistent with the purpose, vision, and values developed by the Shareholders
- Creates strong accountability mechanisms starting with the President/CEO’s accountability to Board of Directors

## ADVISOR MOUNTAIN

**Composed of professional advisors from various disciplines, the Advisor Mountain offers deep expertise & extensive experience to address issues arising within and between ALL the Mountains, especially in the “Transition Zone.”**

- Provides mentoring, education, and counsel to the senior and the rising generation before and during transitions
- Meets as a team, at least annually, to provide *integrated, objective* counsel for CEO/Board/Shareholders
- In the later stages of transition, a Professional Advisory Council guides the family through the most complex issues