

## CHECKLIST

The checklist is provided as a guiding tool to assist family businesses in their journey of governance. As previously highlighted, each family business has its own unique properties and requirements, and should, accordingly, identify the specific factors that require its attention and work on implementing the mechanisms necessary. The checklist acknowledges that governance implementation is a journey; it lists the different stages your business might be at, providing you a clear direction on what is left to accomplish.

Governance Type	Not Addressed	Planning Phase	Application Phase	Completed (under testing & revision)
<b>FAMILY GOVERNANCE</b>				
<b>Vision, Values, and Goals</b> <ul style="list-style-type: none"> <li>Family members are aligned on the vision and core values, values are embedded in goals, governance and policies.</li> </ul>				
<b>Family Communication</b> <ul style="list-style-type: none"> <li>Regular family reports to document what was planned, send updates, and report achievements.</li> <li>Regular family meetings where family and business issues are discussed.</li> </ul>				
<b>Governing Bodies</b> <ul style="list-style-type: none"> <li>A family assembly that acts as a forum for communication between all family members.</li> <li>A family council that acts on behalf of the family assembly to manage family affairs.</li> </ul>				
<b>Family Policies</b> <ul style="list-style-type: none"> <li>A family charter/ constitution that identifies and enables shareholders to understand the main elements of the family and the business.</li> <li>Clear and fair policies that regulate matters of importance to the family and any processes pertaining to them. Example: family employment policy and family new venture non-compete policy)</li> </ul>				
<b>Conflict Resolution</b> <ul style="list-style-type: none"> <li>A clear conflict resolution strategy that sets out the means and processes for resolving conflict among family members, and between family members and the company.</li> </ul>				
<b>Family Members</b> <ul style="list-style-type: none"> <li>Family members with entrepreneurial spirits are identified and roles in the business are assigned.</li> <li>Family members' performance is regularly assessed and acted upon by an assigned party.</li> <li>Female family members are involved in the business, gender parity is minimized/ overcome.</li> <li>The next generation is prepared to join the business, equipped with adequate skills and knowledge.</li> </ul>				
<b>OWNERSHIP GOVERNANCE</b>				
<b>Legal Structure</b> <ul style="list-style-type: none"> <li>A coherent legal structure is in place with the necessary legal firewalls to protect the business and family.</li> </ul>				
<b>Governing Policy</b> <ul style="list-style-type: none"> <li>A shareholder agreement that summarizes the will of the shareholders, and sets forth their rights and responsibilities and regulates family matters.</li> </ul>				

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<b>Governing Bodies</b> <ul style="list-style-type: none"> <li>A shareholder assembly that comprises of all shareholders and plays a role in business decisions by governing and assists the shareholder council.</li> <li>A shareholder council that comprises of a smaller number of shareholders and represents the shareholder assembly in respective business matters.</li> </ul>				
<b>CORPORATE GOVERNANCE</b>				
<b>The Family and the Business</b> <ul style="list-style-type: none"> <li>The relationship between the family and the business is assessed and properly identified.</li> </ul>				
<b>Corporate Vision</b> <ul style="list-style-type: none"> <li>A corporate vision that outlines the business's key values and sets out its primary goals.</li> </ul>				
<b>Legal Structure and Governing Bodies</b> <ul style="list-style-type: none"> <li>Separation of ownership from management.</li> <li>A clear distinction between the roles of shareholders, board members, managers and employees.</li> <li>The creation of different committees that assist the board of directors.</li> </ul>				
<b>Corporate Policies</b> <ul style="list-style-type: none"> <li>Clear policies that regulate important business matters and processes pertaining to them.</li> </ul>				
<b>Plans for Non-Family Employees</b> <ul style="list-style-type: none"> <li>A fair treatment to non-family employees in terms of appointment, assessment and development.</li> </ul>				
<b>WEALTH GOVERNANCE</b>				
<b>Wealth Management Strategy</b> <ul style="list-style-type: none"> <li>A robust strategy that allocates wealth to different fields of investment and sets out independent policies for each.</li> </ul>				
<b>Family Offices</b> <ul style="list-style-type: none"> <li>A family Office that supervises and manages the family business's private wealth through a separate operation</li> <li>Family engagement in the activity and periodical reporting to the family board on activity and performance</li> </ul>				
<b>Investment Planning and Solutions</b> <ul style="list-style-type: none"> <li>A clear set of investment objectives aligned aligned with the vision, goals and wealth strategy.</li> <li>A clear set of investing rules that regulate family business's investments and ensures that they are</li> </ul>				
<b>ENGAGING THE PUBLIC</b>				
<b>Philanthropy</b> <ul style="list-style-type: none"> <li>A commitment towards philanthropy and an engagement in philanthropic activities.</li> <li>Setup of family foundations for large charitable causes.</li> <li>Creation of a family philanthropy committee to manage philanthropic activities.</li> </ul>				
<ul style="list-style-type: none"> <li>Identity and Business Reputation</li> <li>A clear and consistent business identity is established and maintained.</li> <li>A positive coherent business image is showcased.</li> </ul>				
<b>SUCCESSION PLANNING</b>				
<b>Succession Plan</b> <ul style="list-style-type: none"> <li>A clear carefully designed succession plan to facilitate the transfer of the family business from one generation to another.</li> </ul>				