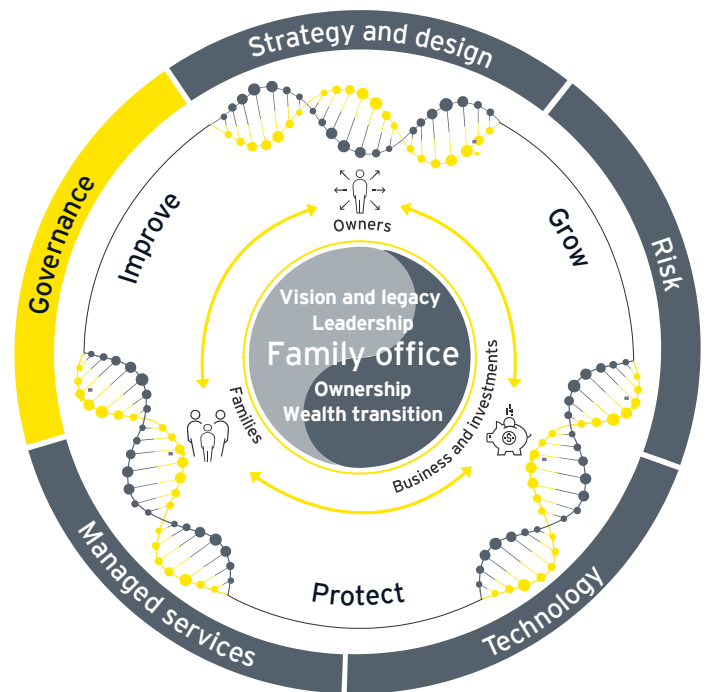


Governance services and planning support for family offices

It is a journey ... where are you?

Family offices face challenges with governance that distinguish them from other entities – challenges that, if not addressed, can reduce wealth, jeopardize family unity or derail the family's legacy. Here are a few of these common challenges:

- ▶ Increased financial complexity and pressure for transparency within the family and the family enterprise
- ▶ The great wealth transition and trust termination happening over the next 10 years, where leadership and control of wealth will change hands, and in certain cases, change form (i.e., within a trust to outright by a family member)
- ▶ Mounting pressure to focus on the development of nonfinancial family social, human and intellectual capital, and the development of long-term value creation frameworks
- ▶ Insufficient coordination, communication and alignment of the interests and objectives between the family members, business and investment leaders and management, trustees and outside advisors threaten sustainability and continuity
- ▶ Growing concerns about succession of leaders in the family office and the family, and the process for these transitions, including education and communication



In supporting the strategy of the family office, we work with family office leadership to align family goals regarding vision and legacy, leadership, ownership and wealth transition with a focus to protect, grow and improve.

Governance is an ongoing, active process that takes time and effort to put in place and adjust as necessary to continue to meet the goals and needs of the family and office.

Developing a parallel governance system can take years and needs to be actively managed and monitored, but it delivers substantial benefits to families and family offices.

Governance – purpose and benefit

Leading families view governance as a living and ongoing process that supports efforts to preserve the family capital and well-being, engage each generation and provide a framework for the family to successfully manage its enterprise and other activities now and into the future.

Purpose and benefits

1	Developing a capable future owner base, with education, experience, care and affinity
2	Preserving values, tradition and history through generations
3	Professionalizing generational transfer
4	Overseeing generational transition and succession processes
5	Creating stewardship over the family enterprise, business, investments and family capital
6	Agreeing upon future governance models and related boards of directors, committees and guidelines for operation
7	Strengthening the patient capital base of the family
8	Defining owner's participation in all areas of the family enterprise
9	Managing relations among the owners, trustees and operating and investment company boards and executives
10	Recognizing and resolving conflict

Six principal causes of generational transition failure

1	Increasing number of inactive or disengaged owners and beneficiaries
2	Uncoordinated demands on family enterprise profits and cash flow
3	Unclear boundaries among family, ownership, governance and management
4	Lack of development of the family's nonfinancial capital – human, social and intellectual
5	Inadequate oversight and transparency over the family enterprise businesses and investments
6	Elephant in the room – internal and external risks that have been unaddressed

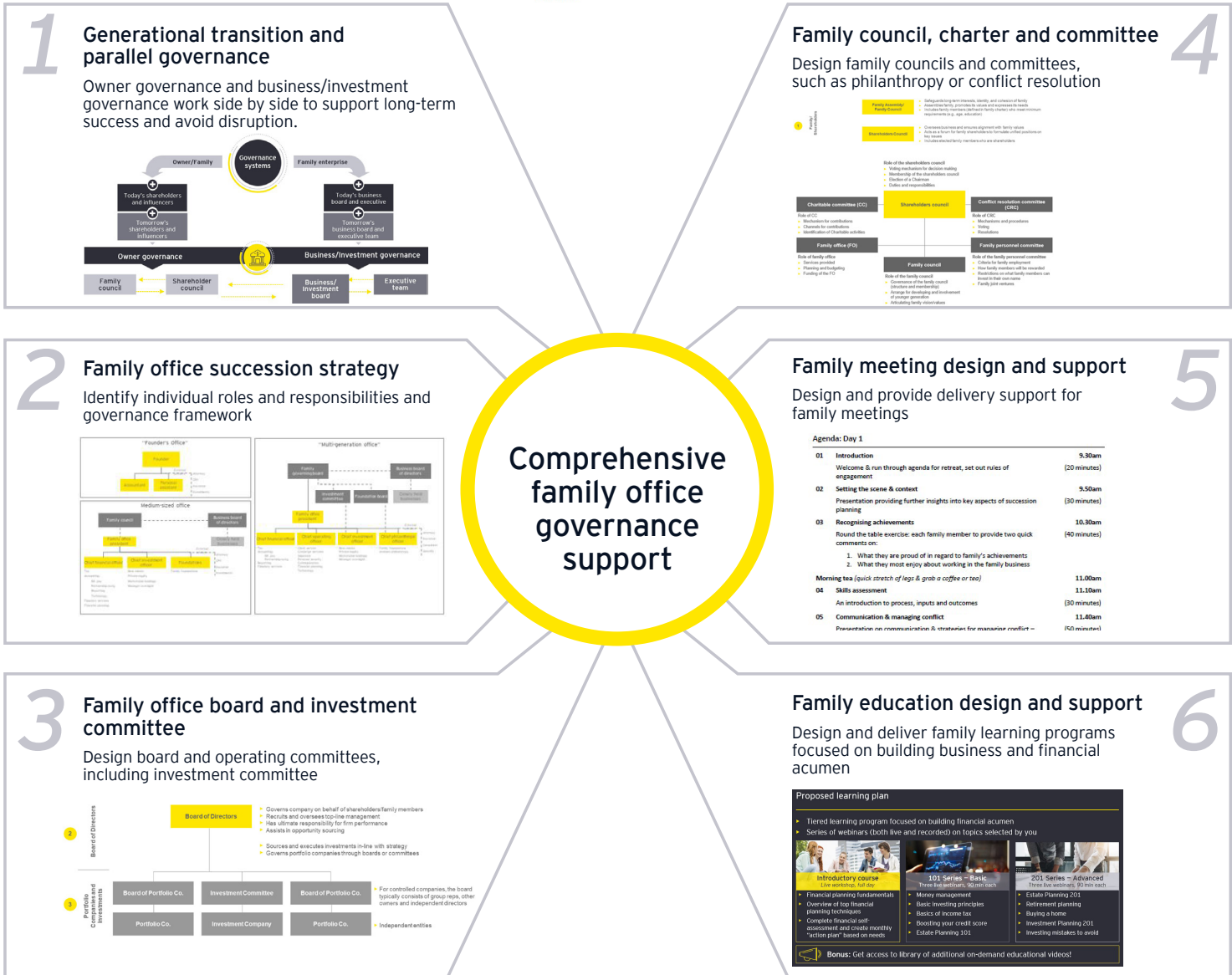
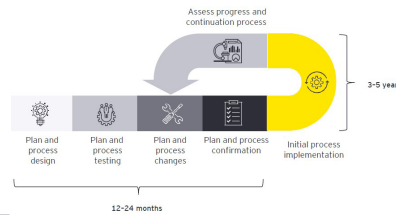
Our approach – parallel governance

Establishing governance is an ongoing, active process and not a destination. Our family office advisory team recognizes the need for governance to secure generational success. We support you in your effort to put a governance framework in place, manage

and adjust it on an ongoing basis to continue to meet the goals and needs of the family and office, and preserve and grow your legacy. Our approach has the flexibility to be broad or targeted and tailored to your specific needs.

Comprehensive approach

Consider and support all areas of governance as part of a holistic, integrated long-term process.



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