

The PDA Model Board MeetingSM

The PDA Model Board MeetingSM (MBM) offers the Owner, Chairman and / or CEO of a private company the opportunity to experience the value that an independent Board of Directors can deliver for shareholders and the leadership team. This program is for companies strongly considering the creation of an ongoing, independent Board of Directors or Advisory Board. The \$10,000 fee is to support the planning, development and recruitment of directors for the MBM.



Approach

- The Company Owner, Chairman and / or CEO submits a PDA MBM application and \$5,000 application fee that is refunded only if the application is not accepted by PDA. The application includes a commitment to timely preparation of pre-MBM meeting background materials and key issues and acknowledges that if the process demonstrates value, an ongoing board or advisory board will be created.
- Upon approval, the PDA MBM Committee Chair assigns a PDA MBM Company Project Chair (CPC). The CPC will connect with the company Owner, Chairman and / or CEO to discuss prep requirements, required MBM director skills, a timeline and non-disclosure agreements to be signed by the participating parties. Prep will include the 2 or 3 issues or opportunities to be articulated in the prep and discussed at the MBM. The CPC is the PDA point of contact for the duration of the project.
- The CPC identifies several PDA members with the skills required who are willing to serve in this MBM. The Owner, Chairman and / or CEO and CPC collaboratively select 3 MBM directors. In addition, the Company may also include up to 2 others from inside or outside the Company for a total of 4 to 6 participants in the MBM.
- Well prior to the MBM, the Owner, Chairman and / or CEO convey a first draft of prep materials to the CPC, the 3 PDA directors and the other 1 to 2 directors from inside or outside the Company, if any. Prep materials include ownership history, management, market positioning, financial performance, capitalization and the strategic plan (if available) along with an articulation of the 2 or 3 issues or opportunities to be discussed at the MBM. At this stage, the date and time of the 4-hour MBM is finalized. The CPC and directors provide prompt feedback.
- At least 2 weekends prior to the MBM, the Owner, Chairman and / or CEO convey a Board Book to the CPC and the directors attending the MBM. The Board Book identifies the Chairman and Secretary of the MBM, agenda, final version of the 2 or 3 issues or opportunities to be discussed and background prep materials.
- After the MBM, the Secretary completes and conveys minutes promptly. The CPC meets with the Owner, Chairman and / or CEO following the MBM to identify lessons learned and collect the final \$5,000 payment (which when combined with the initial \$5,000 application fee totals \$10,000).
- When the MBM demonstrates value, it's expected that the Owner, Chairman and / or CEO will create a going-forward Board of Directors or Advisory Board, typically including PDA member directors. In that going-forward scenario, director fees are a matter between the Company and the directors. Private company director annual retainers and meeting fees vary significantly from a total of \$10K to \$50K annually with the average in the \$30K range. Another benchmark indicator is to value the all-in annual cost of the CEO's salary / bonus / benefits / other comp divided by 240 working days times 12 (meetings + prep + other related time invested in a year).

Getting Started

It's easy. Simply reach out to admin@PrivateDirectorsAssociation.org | 847.986.9350 to request an application.

The PDA Model Board MeetingSM Program

APPLICATION

The PDA Model Board MeetingSM (MBM) offers the Owner, Chairman and / or CEO of a private company the opportunity to experience the value that an independent board can deliver for shareholders and the leadership team. This program is for companies that are strongly considering the creation of an ongoing, independent Board of Directors or Advisory Board. A \$10,000 fee is required for the program that provides preparation, planning and recruitment of board members for the MBM. The Company Owner, Chairman and CEO submits the completed MBM application along with a \$5,000 application fee. The application fee is refunded only if the application is not accepted by PDA. This application represents a commitment to timely preparation of pre-MBM meeting background materials and key issues and acknowledges the likelihood that if the process demonstrates value, an ongoing board or advisory board will be created. The final \$5,000 is due upon MBM completion.

Attach to this application your \$5,000 application fee and the following information that will be **held in confidence** by PDA:

- Company name and headquarters address
- Company structure (C-Corp, S-Corp, Partnership, LLC?)
- Ownership structure (Family, ESOP, Private Equity?)
- Description of current board of directors, if any (Advisory, Fiduciary, Independent Directors?)
- Majority owner(s), Chairman, CEO and existing director names, email addresses and mobile phone numbers
- Company website(s)
- Company annualized US dollar sales and number of employees
- Description of the business and products and / or services
- Financials for 2 or 3 years
- Rationale for interest in creating an ongoing independent board of directors or advisory board after a successful Model Board Meeting?

The Company acknowledges that the MBM is a demonstration process. As such, the Company shall not rely on any suggestions from the MBM directors. The Company agrees that any decisions that it makes using the input and suggestions of the MBM participant directors will be the Company's sole risk and responsibility and that the Company will hold harmless, protect and defend the MBM, its participant directors, the PDA and its officers, agents and employees of any and all damages and agrees not to seek any damages of any kind from the MBM participant directors or the PDA and its officers, agents and employees.

Sign below, agreeing to the hold harmless paragraph above, verifying that the information enclosed with this application is accurate and attach a \$5,000 non-refundable check made out to Private Directors Association:

Signature: _____ Date: _____

Printed name, title and company: _____

Return this application to the attention of PDA Model Board MeetingSM 2019 Committee Chair Rob Sligh
20960 Frankfort Square Road | Suite B, Frankfort, IL 60423

He will be in touch with you shortly after receipt. You may also contact Rob directly at 616-834-3299

V6 January 1, 2019

The Private Directors Association® | MISSION

Creating, sustaining, and enhancing Private Company value through the active use of Boards of Directors and Advisory Boards. We advocate for excellent practices in board formation and governance. We provide a national network where executives and professionals interested in board service can find and meet with those interested in securing exceptional board members.