

## SAMPLE

# DRAFTING A FAMILY COUNCIL MANDATE

### Outline

- Principal Sections and Key Points
- The amount of formal organization that is useful for a family depends on the size of the shareholder group and the complexity of the enterprise.
- A Mandate should define the common purposes that family owners share, the purposes of the Council and have guidelines sufficient to keep meetings focused and productive

### A typical Mandate contains the following sections:

#### 1. Purposes

- Purpose of the Family Council
- Who the Mandate is for
- Purpose and Scope of this Mandate

#### 2. Mission of the Family as Business Owners

#### 3. Guiding Values of the Family as Owners

#### 4. Role of the Council in Our System of Governance

- The Council's Relationship to the Board of Directors
- The Council in Relation to the Shareholders

#### 5. Council Decision Making

- Types of Council decisions
- Methods and procedure of voting

#### 6. Council Membership

- Members of the Council (who is a qualified member?)
- Expectations and Responsibilities of Voting Members
- Election of Council Members

#### 7. Procedures

- Meetings – frequency, quorum, budget
- Council Leadership
- Minutes
- Method for adopting and amending this Mandate

#### 8. Policies of the Family (optional)

- Family member employment policy
- Conflict resolution policy (e.g., use of the Council as forum to discuss and resolve owner conflicts and build consensus, agreement to use outside mediator if needed.)
- Confidentiality policy