

## ***BEST COMPANY***

Proposal for an Advisory Board  
by  
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### **PURPOSE:**

Family and closely-held businesses often lack the breadth of vision and diversity of experience they need to take a business to the highest level possible. Creation of an Advisory Board made up of outsiders who are experienced business leaders is a way to “push the envelope” and cause the owners to examine directions and possibilities they might not otherwise consider. Through this process they make the business stronger, increase the shareholder value and better position the Company to capture the opportunities that are available.

### **BENEFITS:**

- This is an “added value” concept.
- Provides an outside perspective on Best Company as a business. Owners benefit from outsiders looking at their business and making a comprehensive review of all activities.
- Gives Best Company owners access to high level executive talent beyond those employed by the company. In some cases it means having access to millions of dollars of executive talent at only a fraction of such an expenditure.
- Creates a forum in which the views of active owners come up against those who have had different, complimentary or even broader experience within the industry, thus leading to a more thorough consideration of issues and decisions.
- Advisory Boards create a forum in which active owners, in concert with these advisors, impact the strategic issues facing the company. Owner decisions are less insular and are often tempered by the Advisors.
- In contrast to an outside board of directors, Advisory Boards have no formal, legal function, do not have any fiduciary exposure and thus have no legal exposure when serving on such boards.

### **SCOPE OF BEST COMPANY ADVISORY BOARD:**

- The Advisory Board will have full and complete access to all information about the business. This includes financial statements, bank covenants, shareholder agreements, special arrangements of contracts within the owner group, extant strategic plans and other such information that will enable them to give sound advice on all matters.
- The Advisory Board will make non-binding recommendations on strategic issues including but not limited to any financial transaction that represents more than 15%\* of Best Company’s beginning of fiscal year equity. (\*This percentage needs further discussion. The intent is to include all matters that are strategic, regardless of the financial requirements,

and exclude those issues that are not strategic and below a certain financial level.)

- Once established, the Advisory Board can *only* be abolished by a unanimous decision of the active owners.

#### COMPOSITION AND TERMS OF SERVICE:

- The Advisory Board will be comprised of four individuals, plus the active owners of Best Company. While it is not to be a limiting factor, consideration should be given to the gender mix of the Advisors.
- In addition to these members, Bork will serve as "Temporary Chair" during the first year. His task will be to facilitate the process and help to maximize the interaction as well as Best Company access to the Advisors wisdom.
- Of the four outside Advisors, one is to have clear Financial Expertise; one is to be known as a Visionary in the industry and one to be known as a person who "Thinks Outside of the Box" and one representing G3-active owners.
- The Chairman of Best Company, in consultation with the active owners, will appoint the first three Advisors. G3 - Active Owners will appoint the fourth advisor. This combination will be invaluable to Best Company, not just in the initial year, but going forward into the future.
- At the first meeting the advisors will draw lots to determine who will have the one, two, three and four year terms. This system will create a cycle of renewal within the advisors group. Once rotation of terms is established advisors will serve for a period of 4 years.
- Advisors may serve more than one term, however the cycle of renewal procedure makes it possible for the Advisor to "gracefully" step down at the end of the term, should they or Best Company wish them to do so.
- Advisors will be compensated individually \$20k - \$30k per year, plus expenses. Use of perks could be an alternative incentive/compensation. This might be use of Best Company planes or other Best Company assets, up to this amount, may be made in lieu of compensation.

#### PUTTING THE BOARD INTO OPERATION:

The goal is to put the Advisory Board into operation by 12/31/02. In the first year of operation there will be three meetings. The general model will require Advisors to arrive at the meeting location in time for dinner, say 6 p.m. on the day prior to the meeting with the Advisory Board meeting taking place the following morning from 8 a.m. - 1 p.m. The meetings will always include a discussion of the "rolling 6 month" projection of business opportunities. Once the Board is in operation, Advisory Board members will receive for their review, an information packet 5 business days in advance of the meeting.

- **First Meeting -** Begin as above; schedule the next day meeting from 8 a.m. - 5 p.m., in Tulsa. (First quarter of 2003)

Agenda: At dinner - Introductory session.  
(Bork to manage this process.)

Next Day: 8:00 a.m. - 5 p.m.  
Show and Tell - visit all ~~Tulsa~~ plants.  
Discussion of Best Company special processes, patents and/or exclusive opportunities that influence the business.  
Complete Financial Review of Best Company.

Understanding existing owner agreements.  
Current Market Position.  
Strategic Plans for near-, mid- and long term.  
Operation of the Board:

1. Terms
2. Information Advisors prefer to receive in advance
3. Formalizing the Meeting Schedule for next 18 months. In following meetings, the ensuing meetings will be scheduled so we are always planning 18 months ahead.

- **Second Meeting -** Discussion of Advisors thinking about Best Company since initial meeting:

- as a business.
- as a pool of assets.
- it's place in the industry.
- opportunities in the future.

Complete Financial Review of Best Company.  
Current Market Conditions and projections for following 3, 6 and 12 month period. ("Rolling projection" preferred.)  
Shaping Best Company leadership for the future -  
Advisors' experience in grooming and building leaders.  
What Advisors are beginning to understand as a result of two meetings.  
Operational Matters of Advisory Board as determined by its members.

- **Third Meeting -** Discussion of Advisors thinking about Best Company since initial meeting:

- as a business.
- as a pool of assets.
- it's place in the industry.
- opportunities in the future.

Complete Financial Review of Best Company.  
Current Market Conditions and projections for following 3, 6 and 12 month period. ("Rolling projection" preferred.)  
Best Company Strategic Plan for 2004 - 2009.  
Operational Matters of Advisory Board as determined by its members.



**Bork Note:** Creation of this Advisory Board would be the "next step" for Best Company, under any conditions. Current and unfolding owner matters make this vehicle especially timely.