



WHAT MAKES A BOARD SEARCH SUCCESSFUL

Establishing the Selection Committee

In general, we find that it works best to establish a selection or nominating committee of the board comprised of three to four directors as well as the Board Chairman and/or CEO. Usually one member of this committee serves as chairman, and becomes the primary contact with us about the engagement.

Initial Board Search Diagnostics

We believe strongly that the time given at the start to gain an understanding of both the business and its current Board is paramount to mounting an effective, satisfying board search. Appreciating the business, its objectives, opportunities and challenges, is important to be able to properly present the business case to prospective Director Candidates. Gaining a fix on current Board composition and dynamics is also important. This dialogue usually begins with the CEO and/or Chairman, and then is broadened to include as many other Board members as is deemed appropriate.

Initial topics to be covered include:

- Obtaining an understanding of current corporate governance, board make-up and effectiveness
- Taking note of logistical details, such as meeting dates, board compensation, etc.
- Hearing about your vision for the Board and the Company over the next several years
- Gaining a top-line view of the company, its present state, opportunities and challenges
- Reviewing current board composition and membership, including each of the current Director's background, view points and contributions
- Appreciating the priorities and challenges of the next 12 to 24 months for the business
- Determining what expertise, skills or relationships could be strategically important during this time frame
- Defining in meaningful detail the ideal characteristics and profile of the next Director

Company Description and Ideal Director Candidate Profile

After completing the Diagnostic Phase outlined above, we will provide you and the Nominating Committee with our draft Company Description and Ideal Director Candidate Profile. In addition to criteria that derive from the Diagnostic Phase, we will define the requirements related to ideal industry and functional background, diversity, prior private or public Board experience, and any other items on your "wish list". We will also take note of any "knock-out" criteria.

In addition to Candidate requirements, this document will put forward in a concise manner the compelling reasons your Company Board should be of interest to ideal Director Candidates. This material will be reviewed and amended as appropriate until we gain final agreement. We will not broadly distribute this material, as we find it better to maintain a quiet approach in this sensitive work. It will serve all of us as a guideline to better assess and evaluate prospective Director Candidates.

Board Search Execution

A methodical board search process usually encompasses the following eight steps:

1. Development of target environment and Candidate “long-list”
2. Screening the “long-list” into the ranked Director Candidate “short-list”
3. One-by-one contact, recruitment, presentation and introduction
4. Careful management of client interviews and interactions with the Nominating Committee and the balance of the Board
5. Resolve candidate and company issues or concerns
6. Completing reference checking and other due diligence
7. Closing the finalist Director Candidate
8. Closing the search

With our Ideal Candidate Profile in hand to guide us, we will derive through independent research and analysis a “long-list” of promising Director Candidates for your review. In general, none of these prospects will have been contacted by us at this point about the opportunity. We will provide you with general background information, including current position, current board memberships, and any and all public and private data that will help us to sort the “long list” into a ranked “short list” for sequential contact.

When one approaches CEO/COO/CFO executives and accomplished professionals highly sought after for Director posts, it is usually best to work through a ranked short-list of prospects one at a time. It is considered poor form to simultaneously introduce a number of highly regarded business people to a single board position, which brings about the awkward circumstance of rejecting several prominent business people once the finalist is determined.

As Candidates move through the process, we will work closely with you to schedule, manage feedback, conduct reference checks, facilitate interaction, and assist in the final offer presentation. After all is said and done, we will touch base with all parties with whom we interacted in a timely and professional manner and thank them for their involvement. Our goal is for everyone to have a positive view of the Company, the appointment and the conduct of this specific project.