

Prospective Board of Directors Information Packet



Board Member Opportunities at Blackford Capital

Board membership is a good way for skilled and talented executives to use their wisdom to help companies flourish, while seeing personal benefits. Blackford Capital boards are advisory boards and thus serve as a resource to the portfolio company management teams, as well as to the Blackford Capital team, with the goal of ensuring prosperity, value, and ethical standards for the company to create a return for Blackford Capital's limited partners.

Board memberships are compensated positions. Compensation is provided in an honorarium for board meetings, calls and committee work, as well as ownership stake in the portfolio company in which they work. Travel expenses are covered. Expected commitment is two years.

Blackford Capital actively seeks experienced executives in the following industries and functional areas:

Industries / Verticals

- Manufacturing
- Distribution
- Automotive
- Construction & Heavy Equipment
- Durable Goods, Aluminum Products, or Building Materials
- Hospitality Operations
- Energy Infrastructure
- Food (specifically baked goods)
- Imaging Supplies
- A/V Equipment & Devices

Functional Areas

- CEO - Executive Leadership
- CFO - Finance, Accounting, and M&A
- COO - Operations and Lean Manufacturing
- Business Development & Sales Strategies
- Corporate IT
- Legal Counsel

Please send all inquiries to info@blackfordcapital.com



What is the Purpose of the Board?

- 1) Oversee the performance of the CEO and other senior management that serve the interest of all investors and Blackford Capital; help hire and support the CEO and management team when necessary to ensure we have the best team possible
 - Help support and develop the management team
 - Create mentor / mentee relationships between the board and the management team
 - Grow the capability of the management team and hold them accountable
- 2) Ensure prosperity, value, and ethical standards for the company
- 3) Provide oversight in the development, formation, and execution of:
 - Strategic plans
 - Financial and organizational goals
 - Review and oversight of standards and polices to ensure the company is operating with the highest standards
 - Long term strategy
 - Strength and functionality of the management team
- 4) Ask probing questions and think through worst case scenarios to prepare the company for ultimate growth and development

A good board:

- Needs unity and occasional effective dissent
- Has the ability to govern but not over manage
- Acts in good faith and in the best interest of the company; not for the Board Members' personal gain
- Serves with a fiduciary mindset at all times
- Bonds and trusts each other



What is Your Role?

Board Member Responsibilities:

- 1) Participate in ongoing governance of the company as a member of the Management Board, including:
 - Prepare for and attend Management Board meetings (4 per year)
 - Review Board presentations prior to each meeting
 - Participate in annual budget process
 - Participate in annual strategic planning process
 - Support the growth of the company by advising, consulting, mentoring, and supporting management (as needed and as requested), and assisting in the strategic and operational decisions that management presents to the Management Board, with an overall goal of creating value for the investors
 - Be an advocate for management, customers, suppliers, employees, lenders, and Blackford
- 2) Participate in appropriate board committees as necessary, such as Audit, Compensation, Governance, or other ad hoc committees
- 3) Participate in the monthly financial calls by reviewing the monthly Board Financial / Operational Reports
 - The reports are distributed monthly to the Management Board (and usually the bank and Mezz lenders). It details the financial and operational progress of the business.
- 4) Monitor that Blackford and the company's resources are utilized appropriately
- 5) Participate in investor calls and investor meetings
 - Attendance at Blackford's Annual Investor Summit is mandatory for every board member. Summit typically takes place in October.
- 6) Complete Management Board surveys and answer phone calls from Blackford Employees
 - Surveys are sent out following each quarterly board meeting
 - Responding to each survey is a requirement for each board member

Chairman Responsibilities:

- 1) Ensure value creation is being delivered at the company
 - Assist in the development and oversight of all strategic initiatives as determined by the Board, including:
 - Lead the existing management team and/or outside consultants in strategic initiatives
 - Ongoing meetings to discuss progress and preparation of materials for board reviews/updates
 - Assist in development of the talent assessment and talent plan for the company
 - As relevant, work with the CEO to develop and monitor management's business objectives (MBOs)
 - Ensure development of an appropriate succession plan (and disaster transition plan) for key senior managers
- 2) Help develop the "story" of the business
 - Work with the CEO to develop the 1-year and 3-year vision
 - Help lead the annual budget process
 - Help lead the strategic planning process
- 3) Be an active resource to the CEO and liaison between management team / BOD / Blackford Capital
 - Advise and mentor CEO on their development needs, in addition to completing and administering their regular performance reviews
 - Ensure BFC resources are utilized properly, and assist with semi-annual reviews for team
 - Complete reporting process to provide feedback/updates to BFC
- 4) Management of the Board and Portfolio Company governance
 - Head the Governance Committee
 - Assist in the oversight and ensure completion of the Communication Protocol / Governance best practices
 - Ensure effective operation of audit and compensation committees
 - Monitor and evaluate performance and engagement of Board Members; act as referee ensuring productive meetings
 - Facilitate bonding events and activities for the Board



Committee Responsibilities

Audit Committee:

- Oversee the independent auditor and ensure annual audit is completed on time and on budget
- Approve audit proposal (service and fees)
- Approve final audited financials and audit report each year
- Review audit findings with the board and management team
- Propose upgrades and improvements for audit process
- Ensure effective financial controls are in place
- Act as a resource and support system to the CFO and finance team
- Hold the CFO and finance team accountable to closing gaps coming out of audit
- Approve any accounting changes impacting financial reporting
- Oversee legal and regulatory compliance issues with management as needed.
- Meet at least twice per year in person and conduct calls as needed
- Report at each in-person board meeting on status of any concerns

Governance Committee:

- Manage succession planning and development programs for the management team
- Monitor and evaluate board member terms, performance, and contributions according to the Management Board Participation Agreements
- Review and monitor board committee assignments ensuring effective operations of committees
- Oversee the communication protocol, board management, and PC governance to ensure we're maintaining best practices
- Review board surveys after each board meeting and make changes / improvements as needed related to communication protocol, board management, and PC governance

Compensation Committee:

- Review and approve annual compensation plans for executives at the operating company
 - CEO
 - CFO
 - VP level managers
- Set guidelines for compensation structure
 - EBITDA weight vs. MBO weight
- Recommend equity grant awards and structure of Unit Restriction Agreements
- Approve final bonus pool and allotment for executive team and the overall business
- Set the procedure for reviewing and approving expenses for the CEO
- Review and advise on the general administrative compensation, evaluation, and incentive plans
- Meet at least twice per year in person and conduct calls as needed



Time Commitments & Compensation

Category	Frequency	Estimated Time	Payment	Notes
Board Meeting – In Person	Quarterly	10 hours + travel	Flat fee for in-person or dial-in	Must fill out survey after
Financial Call	Monthly	1 hour	Flat fee	
Audit / Comp Committee Meeting	Quarterly	1 hour	Included with BOD fee	Required – typically with BOD meeting
Additional Audit / Comp Committee Calls	As needed	1 hour	N/A	
Strategic Planning Session	Quarterly	Half day	N/A	Required – typically with BOD meeting
BFC Annual Investor Summit	Annually	Full day + travel	N/A	Required
Annual CEO / CFO Summit	Annually	Full day + travel	N/A	Strongly Encouraged
1:1 calls with Chairman, PC Mgmt, and/or BFC Team	As needed	As needed	N/A	Within reason

Note: In addition to cash compensation outlined above, board members also receive Profits Interest.

Invoicing

- Board Members are responsible for producing and sending an invoice in order to receive payment.
- Invoices should be sent to your portfolio company CFO.
- Payment will be sent within 30 days of receipt of the invoice.

Schedule K-1 Tax Form

- A Schedule K-1 is a tax document used to report the incomes, losses and dividends of a business' partners or shareholders.
- The Schedule K-1 document is prepared for each individual that holds units within the company and is included with the individual's personal tax return.
- Each Board Member will receive a K-1 after the operating company audit has been completed. The schedule of estimated K-1 receipt dates is published by BFC Accounting in January of each year.



Raving Reviews

“The strategic vision that Blackford Capital brings to these portfolio companies is unparalleled in the lower middle market and gives a decided competitive advantage. This allows me, as a board member, to have measurable impact on these companies which has led to appreciable growth on the bottom line.”

– Blackford Board Member

“The Blackford team has shown a lot of skill in working with the management of our portfolio company, striving especially to preserve the legacy of the firm while supporting us in our strategic initiatives. We have found them to be an extremely valuable resource, while remaining non-intrusive to our management team.”

– Blackford Board Member

“I doubt this organization could have grown as quickly, or been as successful, without the talent, guidance, and support that the Blackford team has brought to the table. Working with their Managing Directors has been a learning experience on both sides, with mutual respect. We have experience and technical knowledge and they have perspective and strategic frameworks. It’s been a win-win.”

– Portfolio Company CEO

“Blackford Capital has provided a great sounding board for me, particularly as CFO, as we look to pursue strategic acquisitions. Their skill and experience in acquisitions helps me know what I need to focus on in order to prepare us to acquire assets and integrate them seamlessly in order that project has a high likelihood of success.”

– Portfolio Company CFO

