

Common Elements of Family Constitutions

Purpose

- Purpose of the Family Constitution
- Family Guiding Principles/Core Values
- Family Mission Statement
- Family Objectives

Structures/Entities

Purpose, structure, representation, oversight, policies and so on relating to:

- Family Council
- Family Office
- Family Foundation
- Committees/Task Forces

Business/Operating Company

- Family Vision for the Company
- Strategic Planning Process
- Guidance on Growth, Risk, Profitability, and Liquidity
- Purpose of the Board of Directors

Procedures

- Nominations/Elections
- Meetings
- Decision Making
- Communications
- Expenses & Budgeting
- Buying & Selling Family Assets
- Funding Entrepreneurial Ventures
- Keeping/Maintaining Family History
- Amending the Constitution
- Leadership Succession
- Shareholders' Meetings
- Next Generation Development

Policies & Statements

- Definition of Family
- Eligibility for Ownership
- Family Employment
- Family Compensation
- Family Performance Management/Termination
- Retirement from the Enterprise
- Responsibilities, Roles & Rights of Shareholders
- Ownership Transfer
- Stock Valuation
- Dividends and Reserves
- Conflict of Interest
- Code of Conduct
- Meeting Ground Rules
- Conflict Resolution
- Confidentiality
- Media/Public Relations

Family Benefits

- Education
- Housing
- Medical/Dental
- Insurance
- Automobiles
- Retirement
- Vacation
- Travel