

Private Boards of The Year 2017 Named

Five private company boards honored at the Private Company Governance Summit, May 11, 2017, in Chicago.

The boards of Diesco Ltd., Samaritan Medical Center, W.S. Darley & Co., Bush Brothers and Company and Blue Diamond Growers were named Private Boards of the Year 2017 by Private Company Director Magazine, Directors & Boards Magazine and Family Business Magazine. The awards were presented by Robert H. Rock, Chairman of MLR Holdings LLC, at the Private Company Governance Summit 2017 in Chicago, IL. MLR Holdings is the parent company of the magazines presenting the award.

The Private Boards of the Year awards were created to recognize those private companies who go above and beyond legal governance requirements and who commit to the highest levels of governance, whether through fiduciary and/or advisory boards. The awards recognize the performance of the board as a whole.

Out of dozens of nominations received for the second annual presentation of the Private Boards of the Year award, nineteen private companies were selected as semi-finalists, and eight board as finalists. Because of the high quality of the finalists, the judges decided to recognize one advisory board, and four fiduciary boards at various levels of total company revenues. "The awardees serve companies whose revenues range from \$20 million to \$1.7 billion," said Rock. "This shows that it's not the size of the company that counts, but the company's commitment to excellence in governance."

The Awards were made in the following categories:

Advisory Board

Diesco, Ltd.

Fiduciary Board, Revenues under \$100 million

Samaritan Medical Center

Fiduciary Board, Revenues between \$100-\$350 million

W.S. Darley & Co.

Fiduciary Board, Revenues between \$350 million-\$1 billion

Bush Brothers and Company

Fiduciary Board, Revenues above \$1 billion

Blue Diamond Growers

About the Awardees

More complete profiles of each awardee will appear in the September issue of Private Company Director Magazine.

W.S. Darley & Co.

Founded in 1908, W.S. Darley & Co is a fourth-generation family business, led by Paul Darley and an executive team that has transformed this 108-year-old company into a world leader in the firefighting industry and defense industry distribution and manufacturing. The company has recently been awarded major Department of Defense Contracts including an \$85.1 million contract with the USMC in 2012. Revenues have grown from \$25 million in 2003 to an estimated \$220 million in 2017.

The company's board was established in 1976, and has evolved since then with the addition of its first outside directors in 1990. Professionalization of the board picked up speed in 2008, as additional independent directors were added to enhance the skillsets and experience of the company. As Paul Darley said: "We had a concerted effort to get the best of the best board members, very high profile people, but not to be there for lip service or to make us look good."

Among Darley's governance highlights are:

- There are nine board members, with four independent directors, and one non-management shareholder representative
- The Board is built around skillsets and experiences the company needed to grow.
- The board holds executive sessions, and has an outside attorney advising it
- The company maintains a separate eight member Advisory Board for the defense area.
- The board is increasingly diverse, with one African American, and one woman member
- The board is increasingly involved in succession planning, is involved in hiring and onboarding family members, and receives a report from the Fourth Generation at each board meeting
- The board recently approved staggered board terms
- The board has been able to successfully implement majority vs. unanimous decision making in a family business

Paul Darley said: "The board members are all great at giving us their sincere feedback and their views on where they think we should be headed, and a pat on the back or saying they think we're headed in the wrong direction when either is needed."

"We've had a concerted effort to get the best of the best board members, very high profile people, but not to be there for lip service or to make us look good," Darley said.

Among Darley's governance highlights are the maintenance of an eight-member advisory board for the defense area, an increasingly diverse board, and implementation of majority vs. unanimous decision making (a difficult sell in a family business).