

# Private Company Boards of the Year

Honoring Excellence in Private Company Governance

## Private Company Boards of the Year 2016 Named - Pelstar

**For more information, contact: David Shaw, Private Company Director Magazine, 301-963-6162, [dshaw@directorsandboards.com](mailto:dshaw@directorsandboards.com)**

The awards, presented at the Private Company Governance Summit on May 12 at the National Press Club in Washington, D.C., honor private company boards who best serve their stakeholders—owners, shareholders, employees and community - with best practices in their structure and performance.

The Private Board 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. Closely-held, family-owned and investor/private equity-owned companies were eligible for nomination.

Dozens of nominations were received; nineteen private company boards were selected as semi-finalists, and nine boards were named finalists. The finalists were researched and interviewed by the editorial team of Private Company Director Magazine, and three boards earned the final awards after review by a panel of judges.

The three awardees represent different ownership structures: family-owned, employee-owned (non-ESOP) and investor-owned firms. They share, however, a commitment to professional governance at the board level. While all of the nominees exhibited many governance best practices, the three awardees, in the opinion of the judges, exhibited a consistent, transparent approach to their governance, and modeled many best practices from public company governance.

### **Pelstar LLC**

Pelstar, LLC designs, manufactures and markets a comprehensive line of professional products under the 90-year-old venerable brand of Health o meter™ Professional Scales. Originally formed in 1919 as the Continental Scale Works, its heritage is as the inventor of the “doctor’s” beam scale. Today, Pelstar maintains the tradition as one of the leading producers of weighing instruments for

professional health care and medical uses, along with market-leading innovations such as their ELEVATE EMRscale™ and multiple EMR connectivity solutions.

Pelstar was created when a group of private equity investors bought a small division of the former Sunbeam. Initially, there were 15 shareholders plus a venture fund; over time, the fund was bought out, though the head of the fund reinvested in the company as an individual. There are now 20 shareholders, including 10 employee shareholders. With strong governance, the company now commands more than 50% market share, and its growth rate outpaces its industry peers. While Pelstar is governed by a small board, with four members, it models itself after public company board best practices.

**Key Governance Characteristics:**

- Chair and CEO roles are separated.
- Two committees—Compensation and Audit—composed only of independent directors.
- Audited Results, with auditors report to board during executive session. Audit firm also comments on SOX-oriented internal controls, rare for a private company.
- Executive session at every board meeting.
- Periodic succession planning.
- Periodic cyber threat and cyber defense discussions.
- Quarterly board meetings, with agenda and minutes, and an annual letter to shareholders.
- Management attends board meetings, other than during executive session.

“Our board doesn’t just go down the agenda and tick boxes,” says CEO Dan Maeir. “It promotes a transparency that goes throughout the whole company, encouraging our people to take risks and make decisions. Rick Crandall, our Executive Chairman, is a cheerleader, a team leader and a culture setter.”

**PRIVATE COMPANY  
DIRECTOR**  
THE MAGAZINE FOR PRIVATE COMPANY GOVERNANCE



## Award Acceptance Talk: Dan Maeir, Pelstar CEO and Board member.

I'm honored to be here representing the Board of Directors of Pelstar.

Recognizing private companies for their good work helps to bring attention to the real engines of our economy. Maybe our presence here in D.C. will send a message to the politicians, who seem to be clueless about how the real economy works. Ya Think?

Our company makes professional medical scales under the 100 year-old Health o meter brand, and I can tell you from close contact, if you think health care is expensive now, wait until you see what it costs when it's free!

A few words on Board governance and the relationship between the Board and management at Pelstar. Our Executive Chairman, Rick Crandall, is

deeply experienced both with venture companies and as a CEO and Board member of public companies. He was clear when on-boarding me and other senior management as to what he expected; that we're going to extract the best principles of public company Board governance, but omit much of the government red tape.

Tone at the top is based on three principles –

- a strong ethical standard,
- passionate engagement and response to customers, and;
- making innovation a priority.

We believe that driving a culture of customer responsiveness to every corner of the company creates a cultural differentiator that is very difficult for competitors to copy – and we're winning with it. We call this differentiator: "Weigh Easier";

- make it easy for our customers to use our scales, and
- make it easy for our customer to do business with us.

These two simple words serve as our brand value, and they guide our strategy, as well as the day to day actions of our employees.

We were reborn as a private equity purchase neglected at Sunbeam when it was in bankruptcy in 2002. Today, we are the market-share leader in North and South America, growing at 3 times the market growth rate with double-digit EBITDA margins and a growing employee base.

Thank you for recognizing our Board and its governance principles. It has added to the pride we have in our Company.