

Founder & Board Objection FAQ

Consultation & Integration Program for SMEs

This appendix is intended for founders, shareholders, and board members evaluating the Consultation & Integration Program for SMEs. It addresses equity, control, governance, risk, and exit considerations directly and transparently.

1. Strategic Rationale & Structure

- **Why would a founder consider sharing equity instead of paying consulting fees?**
Traditional consulting converts cash into advice, with execution risk remaining fully with the owner. This program converts expertise and execution into long-term value, preserving cash while accelerating transformation. Founders trade a portion of upside for faster execution, reduced operational risk, and access to senior leadership they could not otherwise afford. The objective is net value creation.
- **Is Fortis & Peak acting as an investor?**
No. Fortis & Peak does not function as a financial investor. We do not deploy capital and wait for returns; instead, we deploy interim executive leadership, operational systems, and hands-on execution capability. Any equity or value participation reflects earned contribution, not passive ownership.
- **How is equity participation structured and earned?**
Equity participation is milestone-based, not upfront. It is tied to measurable operational and financial outcomes and is earned progressively as value is created, ensuring proportionality, fairness, and alignment.
- **What exactly am I giving equity for?**
You are not giving equity for advice. Equity participation, where applicable, is tied to: Measurable financial improvements- Operational systemization and risk reduction, sustainable growth outcomes. All milestones are jointly defined, documented, and verified.
- **How much equity is typically involved?**
There is no standard percentage. Participation depends on the business's starting condition, the depth of integration, and the scale of transformation required. In all cases, founders retain a clear majority position and long-term economic control.
- **Who is responsible for funding operational changes or technology investments?**
While Fortis & Peak preserves your cash by replacing fees with value participation, the business remains responsible for its own capital expenditure and the investment costs required to scale.
- **Why should I trust Fortis & Peak?**
Because the agreement exposes Fortis & Peak to real downside. We commit leadership capacity, execution responsibility, and reputation, not just recommendations. Firms that

only advise do not structure agreements this way.

- **Is this program suitable for every SME?**

No, this program is not designed for: Early startups, lifestyle business, advisory-only engagement, owners unwilling to delegate or professionalize.

2. Governance & Authority

- **Does the founder lose decision-making authority?**

No. Founders retain ownership and strategic direction. However, execution authority must be clearly defined: operational decisions may be delegated to Fortis & Peak-led roles, while strategic and ownership-level decisions remain with the founder or board. This structure replaces informal decision-making with professional discipline.

- **What governance rights do Fortis & Peak require?**

Depending on the engagement, we may require board or steering committee representation, veto rights on predefined critical decisions, and enhanced reporting and transparency standards. These rights exist to protect execution integrity, not to override ownership.

- **How are disagreements or conflicts handled?**

Disagreements are managed through regular governance forums, predefined escalation mechanisms, and contractual resolution or termination clauses to ensure issues are resolved institutionally, not emotionally.

- **Are the interim executives dedicated exclusively to our company?**

Allocation is structured to ensure all milestone-based outcomes are met. While roles are interim, the depth of integration ensures the business receives the hands-on execution capability necessary for transformation.

- **Does this create long-term dependency on Fortis& Peak?**

No, a core objective of the program is to remove dependency by: Institutionalizing systems and processes- Building an internal leadership team-Preparing the company to operate independently. Success is defined by our eventual exit.

3. Culture & Operations

- **How is the cultural impact on existing staff managed?**

Integration focuses on professional discipline and empowering the existing team. We manage cultural impact by introducing improved systems and governance that help the team succeed, winning support through shared execution wins rather than top-down mandates.

- **Will Fortis & Peak work with our direct competitors?**

To protect the transformation and the value of the equity involved, specific exclusivity

and non-compete frameworks are defined contractually for each engagement to safeguard your unique market position.

4. Risk, Performance, & Exit

- **What risks does the founder take?**

The primary risks are sharing economic upside, accepting external operational discipline, and making difficult organizational decisions. These are mitigated through phased commitments, transparency, and exit protections.

- **What risks does Fortis & Peak take?**

Fortis & Peak assumes significant risk by committing senior leadership time and deferring or replacing fees with contingent value tied to long-term outcomes.

- **What happens if performance targets are not met?**

If agreed milestones are not achieved, equity does not vest. Participation can be restructured or terminated, and transition plans are executed to ensure business continuity. The partnership is outcome-driven, not open-ended.

- **What is the typical exit or liquidity options?**

Exit paths are defined early and may include a founder-led buy-back at a predefined valuation, ongoing profit participation without equity retention, or partial/full liquidity through strategic sales. The goal is optionality.

- **How long does the partnership last, and how does it end?**

Most partnerships span a 3–5-year horizon. At completion, governance rights revert fully to the owner, and Fortis & Peak exits operational roles. We execute transition plans to ensure knowledge is retained, leaving the company stronger, more independent, and ready for its next phase.

- **What if I want to exit the partnership later?**

The partnership is designed to be temporary. To address this question legally and ethically, the agreement shall include: A defined sunset period (typically 3- 5 years), Buy-back mechanisms at fair market value, and structured handover to a permanent internal leadership team. Fortis & Peak does not seek permanent ownership.

- **What happens if external events disrupt the plan?**

External shocks are accounted for, or force majeure provisions allow for: Temporary suspension or adjustment of milestones- Protection against unfair penalties.

This FAQ is provided for informational purposes. Final partnership terms, governance rights, and participation structures are defined contractually and tailored to each engagement.