

GOVERNANCE

the accountability of organizations to their stakeholders for their conduct

	Governance Category	Best Practices
1	Board Composition	The roles of Chairman and CEO have been separated with the Chairman an independent director. If the Chairman and CEO are not separated, there is a lead independent director.
2	Board Composition	Independent directors elected by stockholders represent at least 75% of the board.
3	Board Composition	At least two directors are women with a stated goal of further diversification.
4	Board Composition	Diversified board in terms of experience, including industry experience, various managerial expertise or financial background.
5	Board Composition	Less than one third of directors should have more than nine years of board tenure. Any director with more than 10 years of tenure should be evaluated for independence.
6	Board Composition	No director should be on more than 2 other public company boards. If the director is a current CEO or officer of a company, the director should serve on no other public boards.
7	Corporate Structure	One Share Class & One Vote Per Share.
8	Executive Compensation	The minimum vesting period mandated in the plan documents for executives' restricted stock is at least 36 months, preferably 60 months.
9	Executive Compensation	The company has a claw back policy that covers both cash and equity awards.
10	Executive Compensation	The CEO's total compensation is not excessive compared to industry or comparable norms.
11	Executive Compensation	The CEO's pay should be aligned with shareholder interests with a majority of pay in the form of equity or stock.
12	Executive Compensation	Balance of long-term and short-term goals in determining compensation. Also, compensation weighted to performance-based vs. time-based.
13	Executive Compensation	The multiple of 'Salary + Bonus' in the severance agreement with the CEO for change in-control event is 3 or less.
14	Executive Compensation	The CEO's outstanding equity awards will vest only upon employment termination.
15	Financial Policies	Stock plans are not dilutive.
16	Financial Policies	Timely and complete reporting and disclosure of key management strategy and business operations.

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17	Financial Policies	Accounting policies W.R.T. revenue & expense recognition and asset-liability valuation are reasonable.
18	Cyber Security	Policies, systems in place to address data security.
19	Financial Oversight	The external auditor's non-audit fees including tax represent less than 10% of total fees.
20	Financial Oversight	The tenure of the external auditor is less than 10 years.
21	Financial Oversight	Auditor reports are (were) clean.