

Governance Lifecycle Model (GLM) Assessment Tool Questionnaire

1. Our strategic performance priority is:

- a) Sales Growth
- b) Valuations
- c) Profitability
- d) Shareholder Distribution

Board of Directors

YES NO

- | | | |
|---|-----------------------|-----------------------|
| 2. Do all directors attend at least 75% of board meetings or had a valid excuse for non-attendance? | <input type="radio"/> | <input type="radio"/> |
| 3. Is the board controlled by more than 50% independent directors? | <input type="radio"/> | <input type="radio"/> |
| 4. Is the compensation committee comprised solely of independent outside directors? | <input type="radio"/> | <input type="radio"/> |
| 5. Is the nominating committee comprised solely of independent outside directors? | <input type="radio"/> | <input type="radio"/> |
| 6. Does a policy exist requiring outside directors to serve on no more than five additional boards? | <input type="radio"/> | <input type="radio"/> |
| 7. Is the size of the board of directors at least six but not more than 15 members? | <input type="radio"/> | <input type="radio"/> |
| 8. Does a former CEO serve on the board? | <input type="radio"/> | <input type="radio"/> |
| 9. Does the governance committee meet at least once during the year? | <input type="radio"/> | <input type="radio"/> |
| 10. Does management respond to shareholder proposals within 12 months? | <input type="radio"/> | <input type="radio"/> |
| 11. Are board members elected annually? | <input type="radio"/> | <input type="radio"/> |
| 12. Are the CEO and chairman's duties separated or is a lead director specified? | <input type="radio"/> | <input type="radio"/> |
| 13. Is the CEO listed as having a "related party transaction" in a proxy statement? | <input type="radio"/> | <input type="radio"/> |
| 14. Does the CEO serve on more than two additional boards of other public companies? | <input type="radio"/> | <input type="radio"/> |
| 15. Do shareholders vote on directors selected to fill a vacancy? | <input type="radio"/> | <input type="radio"/> |

Executive and Director Compensation

- | | | |
|---|-----------------------|-----------------------|
| 16. Did option re-pricing occur within last three years? | <input type="radio"/> | <input type="radio"/> |
| 17. Did the average options granted in the past three years as a percentage of basic shares outstanding exceed 3% (option burn rate)? | <input type="radio"/> | <input type="radio"/> |
| 18. Is option re-pricing prohibited? | <input type="radio"/> | <input type="radio"/> |
| 19. The last time shareholders voted on a pay plan, did ISS (or equivalent organization) deem its cost to be excessive? | <input type="radio"/> | <input type="radio"/> |
| 20. Does the company provide any loans to executives for exercising options? | <input type="radio"/> | <input type="radio"/> |
| 21. Did directors receive all or a portion of their fees in stock? | <input type="radio"/> | <input type="radio"/> |
| 22. Were stock incentive plans adopted with shareholder approval? | <input type="radio"/> | <input type="radio"/> |
| 23. Do interlocks exist among directors on the compensation committee? | <input type="radio"/> | <input type="radio"/> |
| 24. Do non-employees participate in company pension plans? | <input type="radio"/> | <input type="radio"/> |

Progressive Practices

YES NO

- | | | |
|--|-----------------------|-----------------------|
| 25. Is the performance of the board reviewed regularly? | <input type="radio"/> | <input type="radio"/> |
| 26. Do outside directors meet without the CEO and disclose the number of times they met? | <input type="radio"/> | <input type="radio"/> |
| 27. Is there a mandatory retirement age for directors? | <input type="radio"/> | <input type="radio"/> |
| 28. Is there a board-approved CEO succession plan in place? | <input type="radio"/> | <input type="radio"/> |
| 29. Are directors required to submit their resignation upon a change in job status? | <input type="radio"/> | <input type="radio"/> |
| 30. Do director term limits exist? | <input type="radio"/> | <input type="radio"/> |
| 31. Does the board have outside advisors? | <input type="radio"/> | <input type="radio"/> |

Charter/Bylaws

- | | | |
|--|-----------------------|-----------------------|
| 32. Is the company authorized to issue blank check preferred stock? | <input type="radio"/> | <input type="radio"/> |
| 33. Is a simple majority vote required to approve a merger (not a supermajority)? | <input type="radio"/> | <input type="radio"/> |
| 34. Does the company either have no poison pill or has a pill that was shareholder approved? | <input type="radio"/> | <input type="radio"/> |
| 35. Are shareholders allowed to call special meetings? | <input type="radio"/> | <input type="radio"/> |
| 36. Is a majority vote required to amend charter/bylaws (not a supermajority)? | <input type="radio"/> | <input type="radio"/> |
| 38. May shareholders act by written consent, even if the consent is non-unanimous? | <input type="radio"/> | <input type="radio"/> |

Ownership

- | | | |
|---|-----------------------|-----------------------|
| 39. Is Officers' and directors' ownership at least 1% but not over 30% of total shares outstanding? | <input type="radio"/> | <input type="radio"/> |
| 40. Are executives subject to stock ownership guidelines? | <input type="radio"/> | <input type="radio"/> |
| 41. Are directors subject to stock ownership guidelines? | <input type="radio"/> | <input type="radio"/> |
| 42. Do all directors with more than one year of service own stock? | <input type="radio"/> | <input type="radio"/> |

Director Education

- | | | |
|---|-----------------------|-----------------------|
| 43. Has at least one member for the board participated in an accredited director education program? | <input type="radio"/> | <input type="radio"/> |
|---|-----------------------|-----------------------|

Audit

- | | | |
|---|-----------------------|-----------------------|
| 44. Is there a formal policy on auditor rotation? | <input type="radio"/> | <input type="radio"/> |
| 45. Are fees being paid to the auditor less for consulting than audit services? | <input type="radio"/> | <input type="radio"/> |
| 46. Does the Audit committee consist solely of independent outside directors? | <input type="radio"/> | <input type="radio"/> |

Jurisdiction of Incorporation

- | | | |
|---|-----------------------|-----------------------|
| 47. Incorporation in a jurisdiction without any anti-takeover provisions? | <input type="radio"/> | <input type="radio"/> |
|---|-----------------------|-----------------------|

GOVERNANCE EFFECTIVENESS SCORECARD

