



VEACO GROUP
Corporate Governance Advisors

STOCK ADMINISTRATION GOVERNANCE AND IMPLEMENTATION

Equity award programs have long been recognized as being a valuable tool in aligning the interests of employees with those of the company's stockholders. These programs have always required strong internal processes because company stock is at their foundation. In the last few years companies have had to pay greater attention to their equity award programs as a result of various events that have drawn the attention of investors, the regulators and the courts.

Veaco Group will develop sound governance processes around your equity award program so that the Compensation Committee of the Board has the right information to make effective grants, the processes are comprehensive and auditable, and internal departments are able to get what they need. We work with in-house personnel, outside counsel, auditors and existing suppliers. Below is an overview of some of the services we provide:

- Develop processes involved in the granting, exercise and cancellation of equity grants - from initial recommendation to approval, through the ongoing tracking and communication and ultimately the exercise or cancellation
- Develop equity award policies and procedures
- Draft resolutions and materials for equity awards for Compensation Committee approval and advise on minute drafting and records retention
- Develop procedures to monitor share balances and reserves
- Develop systems for the maintenance of corporate records for the stock plans
- Develop policies and procedures for the day-to-day management and stock plan administration including:
 - Grant processing
 - Recordkeeping
 - Exercise processing
 - Terminations/cancellations
 - Dividend processing

- Develop internal processes to coordinate with internal departments
- Develop processes for audits and reconciliation reporting
- Employee communications
- Develop processes for coordination with transfer agents and brokers
- Assist with selection of third-party vendors such as transfer agent, brokers, stock administration providers

Case Study

Veaco Group was engaged by a newly public company to develop policies and procedures around its equity awards program and to provide support to the newly hired in-house Stock Plan Administrator. The public company and corporate governance requirements for this program were new to the various departments involved, and the equity compensation program established by the former parent was complex. We first interviewed people in accounting, tax, human resources, treasury, legal and stock plan administration. We next provided an overview of the requirements of the program, developed policies and procedures around the grant and exercise processes, external reporting and employee communications. We also advised on insider trading and Section 16 reporting processes. We developed processes for the Compensation Committee meetings, drafted resolutions and suggested language for minutes and records. We worked with the third party administrator, outside counsel, in-house counsel and senior executives to establish appropriate governance processes around this equity award program. The company now has a sound stock award program with policies and procedures meeting its internal and external requirements.

Who We Are

We are seasoned corporate governance lawyers and professionals and our competitive advantage is our in-house experience implementing, not just advising on, the governance around a sound stock administration program. We provide the expertise and in-depth resources to help you establish or enhance your stock administration program. Kris Veaco is a corporate securities lawyer and corporate governance specialist, Kathy Blackwell, CEP is a senior stock plan consultant, and Jim Lindsay is a treasury consultant.

Veaco Group provides a full range of solutions to support Boards of Directors and their management to meet the company's corporate governance and other public company requirements. See more about Veaco Group and our services at www.veacogroup.com, and you can reach Kris Veaco at kveaco@veacogroup.com or 415-731-3111.