

THE 2013 US HOTEL BOARD SURVEY

Rank	Company	Size & Makeup	Committee Structure	Related Party Transactions	Evaluation & Communication	Pay for Performance	Total
1	Host Hotels & Resorts	14	10	5	4	9	42
1	Starwood Hotels	13	10	5	5	9	42
2	Sunstone Hotel Investors	10	10	5	5	10	40
3	DiamondRock Hospitality	10	10	5	4	9	38
4	LaSalle	7	10	5	5	9	36
5	Walt Disney Company	10	9	0	6	10	35
5	Ryman Entertainment	10	8	5	4	8	35
5	Vail	10	8	5	4	8	35
5	Wyndham Worldwide	11	9	0	5	10	35
6	Priceline.com	12	10	0	4	8	34
6	Strategic Hotels & Resorts	13	9	0	5	7	34
7	Chesapeake Lodging Trust	11	8	5	1	8	33
7	Ashford Hospitality	9	10	0	4	10	33
8	Choice Hotels	11	8	0	4	9	32
8	Red Lion	12	10	0	4	6	32
8	Royal Caribbean	9	10	0	4	9	32
9	Felcor	10	7	0	4	8	29
9	Marriott International	8	7	0	5	9	29
10	Supertel	12	8	0	3	5	28
10	Chatham Lodging Trust	12	8	0	1	7	28
11	Morgans	11	8	0	2	6	27
11	Loews Corporation	11	7	0	4	5	27
12	Hersha	4	10	0	3	9	26
12	Hyatt	4	9	0	3	10	26
12	Summit Hotel Properties	6	10	0	3	7	26
13	Marcus	9	7	0	3	6	25

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## ALLOCATION OF POINTS

### SIZE & MAKEUP

#### Board size

- 5,7,9,11 = 4pt
- 1,3,13,15 = 2pt
- 2,4,6,8,10,12,14 = 1pt

#### Head of board

- CEO and Chairman separate and Chairman is outsider - 2 pt
- CEO and Chairman separate and Chairman is insider - 1 pt
- (CEO = Chm) = 0 pt

#### Ratio (insider:outsider)

- If insider to outsider ratio is less than 25%, you get three points
- If insider to outsider ratio is 25% - 33.3%, you get one point
- If insider to outsider ratio is greater than or equal to 33.3%, you get zero

#### Board terms

- Yearly = 1 pt
- Staggered = 0 pt

#### Diversity - total of 3 points

- BOD has diversity policy = 1 pt
- BOD articulates how the policy is implemented = 1 pt
- Gender or Racial diversity represented on BOD = 1 pt

### COMMITTEE STRUCTURES AND EFFECTIVENESS

#### FOR EACH COMMITTEE (AUDIT, GOVERNANCE, COMP, NOMINATING)

- If committee, but does not meet, 0
- If committee, meet 1-3 times a year, 1
- If committee, meet 4 or more times a year, 2

- If any committee has even one insider, 0, 1
- If no executive committee, 1, 0

#### Related Party Transactions

- If none present, 5 points; 1-4 points if present, depending on degree

#### Evaluation & Communication

- Articulation of Self-Evaluation Methods & Ease of Shareholder Communication with Board
- Self-evaluation: the entire BOD goes through an annual self-evaluation process as well as all sub committees go through self-evaluation at least annually = 3 pts
- Transparency in ability of shareholders to communicate with BOD; BOD has access to key leadership = 2 pts
- Best practice = 5 points

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## COMPENSATION PHILOSOPHY

### Director Compensation

Retainer = 1 pt

Committee/Chairman Fee = 1 pt

Stock ownership requirement = 3 pts (stock grants but no specific ownership requirement = 1 pt)

Cash only = 1 pt

No compensation = 0 pt

Presence of unreasonable perquisites, subtract 1 pt from score

### Executive compensation

Articulation of comp philosophy = 1 pt

Incentive metrics = 1 pt

Clawbacks/gross-ups/perquisites vis a vis risk (deferred compensation plan); risk provision in compensation = 1 pt

Say on pay conducted advisory vote and stated results = 1 pt

Stock ownership guidelines - appropriate mix = 1 pt