

**Mersive Acquisition Holdings, LLC, Mersive Holdings, Inc. and Mersive Technologies, Inc.**

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**Internal Control Policies**

Effective Date: 2/27/2018

		Approvals Required By:					
		Manager	Director or Dept Head	Controller	CFO	CEO	OGC Operations
<b>Financial</b>							
	All non-inventory purchases (Requisitioned or invoiced, assumes a budgetted item)						
	\$0-\$5,000	A		I			
	\$5,001-\$20,000	A	A	I			
	\$20,001-\$50,000	A	A	I	A		
	>\$50,000	A	A	I	I	A	
	Inventory Purchases						
	\$1-\$100,000	A					
	\$100,001-\$350,000	A	A		A	I	
	>\$350,000	A	A		I	A	
	*Approval limits assume inventory is purchased according to a forecast approved by Sales and Operations.						
	Vendor Payments						
	Check Runs			A	A	A <sup>(1)</sup> /I	
	Individual payments, non-recurring, outside ordinary business <\$50,000			A	A	A <sup>(1)</sup> /I	
	Individual payments, non-recurring, outside ordinary business >\$50,000			A	A	A <sup>(1)</sup> /I	
	Individual payments >\$500,000			A	A	A	
	Capital Expenditures						
	Budgeted \$1-\$5,000	A	A	I			
	Budgeted \$5,001-\$100,000	A	A	I	A		
	Budgeted > \$100,000	A	A	I	A	A	I - > \$150K
	Unbudgeted Cap Ex. < \$50K		A		A	A	
	Unbudgeted Cap Ex. > \$50K <\$150K		A		A	A	I
	Unbudgeted Cap Ex. > \$150K		A		A	A	A
	NOTE: non-budgeted Expenditures require minimum Director/Dept Head Approval						
<b>Sales Orders</b>							
	Product Sales Quote (inc line items on combined quote)						
	Set pricing policy and price list			I	I	A	
	Discount to standard price <10%		A		A	I	
	Discount to standard price >10%				A	A	
	Credit Terms						
	New				A	I/A > \$100K	
	Special Terms (I.e > 45 days<60)				A	I	
	Special Terms (I.e > 60 days)				A	A	
<b>Marketing</b>							
	Public Announcements (Press Releases-General)					A	All referencing OGC
	Public Announcements (Press Releases-New Products)					A	All referencing OGC
	Use of Company Names/Logos					A	
	Interviews with media					A	
	Trade Shows (annual exhibition plan)					A	
	Advertising (campaign)					A	
<b>Product Management</b>							
	Warranty Terms (Product Liability - Non Standard)				A	A	
	Patents & Trademarks (filing)				A	A	
	Patents & Trademarks (maintenance)				A	A	

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<b>Human Resources</b>						
Policies and Procedures (Manual)		A		A	A	
Replacements <\$100,000 & within 5% of incumbent		A		I	A	
Replacements >\$100,000		A		A	A	
New CxO Hires (Budgeted/Undudgeted)					A	A
New Hires Budgeted <\$75,000		A		A	A	
New Hires Budgeted >\$75,000		A		A	A	
New Hires Not Budgeted >\$1		A		A	A	I - > \$100k
New Hires if operating below planned EBITDA target (contractors follow same process)		A		A	A	
Other HR Related Expenditures (relocation, recruitment, etc.)		A		A	I	
Employee Terminations		A		I	I	
All Severance Payments >1 Week Per Year (policy)				A	A	I
Compensation:						
Sales Commission Agreements		I	I	I	A	
Sales Commission Targets		A	I	I	A	
Special Bonuses, all		I	I	A	A	
All CxO Employment Matters					A	A
All Employment Contracts		A		A	A	A - All CxO
All Union/Labor Related Matters		A		A	A	I
All MIP-related Matters					A	A
All matters involving equity or change of control					A	A
<b>Travel</b>						
Travel policy Implementation/Changes				A	A	
Travel Advances			A	I/A > \$5K		
<b>Contracts (incl. third party suppliers)</b>						
General operating contracts:						
Customer		A			I -> \$100K	
Lease (facility or equipment)		A		A	I -> \$100K	I > \$250K
Agent/Distributor Agreements				A	A	
Consultant / Professional Services		A		A		Note 1
All other contracts		A		A		
All other contracts > 2 yrs in duration		A		A	I	
Loan Agreements or any incurrence of indebtedness or guarantee				A	A	A
Purchase and Sale Agreements (Acquisitions/Divestitures)		A			A	A
IP License or Cross License (exc. software and hardware)				A	A	I
Software and hardware		A		A	A > \$50K	
Contracts containing non-compete				A	A	A
Agreements relating to the potential issuance of securities				A	A	A
Investment banking or similar engagement agreements				A	A	A
Agreement requiring consent for change in control, unless immaterial				A	A	A
Agreement relating to insurance outside OGC program				A	A	A
Any agreement not terminable at will on 90 days notice		A		A	A	
<b>Reserves</b>						
Accounts Receivable			A	A	I	
Inventory			A	A	I	
Other			A	A	I	

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<b>Tax</b>						
Letter of Engagement for Outside Tax Counsel				A		A
Filing of Income tax returns – federal, state, local and foreign				A		A
Notice of Tax Examinations				A	I	A
(Customs)				A		A
(income, payroll, sales / VAT, and property)				A		A
Settlement of Tax Examinations - for all tax examinations				A		I
Tax Provision for Audited Financial Statements				A		I
Material Tax Elections				A		A
Transfer and Cross-Charge Agreements				A		A
Tax Sharing Agreements				A	A	A
Penalty or tax payments (excluding Sales and Use Taxes, and Payroll Taxes)				A	A	A
<b>Treasury</b>						
Signatory on Bank Accounts			I	A	A	A
LOC, Bank Guarantees, Bank Fees			I	A		A
Overdrafts on Current Accounts			A	A		
<b>Other</b>						
Initiate or settle litigation or gov't or regulatory actions				A	A	A
Charitable contributions				A	A	A
Political contributions				Not allowed		
Accounting & controllers manual (policies)			A	A	A	I

Note 1 - Professional Services Contracts >75k/yr or >5 yr term require OGC approval.

A<sup>(1)</sup> Approval by CEO in absence of CFO