

# OGC

## Internal Control Policies

Effective Date: 09/25/2019

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		Approvals Required By:				
		Manager	Department Head	CFO	CEO	OGC Operations
<b>Financial</b>						
	All non-inventory purchases (Requisitioned or invoiced, assumes a budgetted item)					
	\$0-\$10,000		A			
	\$10,001-\$50,000			A		
	\$50,001-\$150,000			A		
	>\$150,000				A	I
	Inventory Purchases					
	\$1-\$10,000	A				
	\$25,001-\$350,000	A	I			
	>\$350,000				A	I
	*Approval limits assume inventory is purchased according to a forecast approved by Sales and Operations.					
	Vendor Payments					
	Check Runs			A		
	Individual payments, non-recurring, outside ordinary business <\$50,000			A		
	Individual payments, non-recurring, outside ordinary business >\$50,000			A		
	Individual payments >\$500,000				A	I
	Capital Expenditures					
	Budgeted \$1-\$25,000			A		
	Budgeted \$25,001-\$100,000			A	I	
	Budgeted > \$100,000				A	I
	Unbudgeted Cap Ex. < \$50K				A	
	Unbudgeted Cap Ex. > \$50K - \$150K				A	I
	Unbudgeted Cap Ex. > \$150K				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				A	
	Discount to standard price <10%			A	I	
	Discount to standard price >10%				A	
	Credit Terms					
	New			A		
	Special Terms (I.e > 45 days<60)			A	I	
	Special Terms (I.e > 60 days)				A	
<b>Marketing</b>						
	Public Announcements (Press Releases-General)				A	A - All referencing OGC
	Public Announcements (Press Releases-New Products)				A	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	
	Patents & Trademarks (filing)	A		I	I	
	Patents & Trademarks (maintenance)	A				

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		Manager	Department Head	CFO	CEO	OGC Operations
<b>Human Resources</b>						
	Policies and Procedures (Manual)				A	
	Replacements <\$100,000 & within 5% of incumbent				A	
	Replacements >\$100,000				A	
	New Hires Budgeted <\$75,000				A	
	New Hires Budgeted >\$75,000				A	
	New Hires Not Budgeted >\$1				A	I > \$100k
	New Hires if operating below planned EBITDA target (contractors follow same process)				A	
	Other HR Related Expenditures (relocation, recruitment, etc.)				A	
	Employee Terminations				A	I
	All Severance Payments above Company Policy				A	I
	Compensation:					
	Sales Commission Agreements				A	
	Sales Commission Targets				A	
	Special Bonuses, all				A	
	All Leadership Team Employment Matters				A	A
	All Employment Contracts				A	A - All Leadership Team
	All Union/Labor Related Matters				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	
	Travel Advances			A	I	
<b>Contracts (incl. third party suppliers)</b>						
	General operating contracts:					
	Customer				A	
	Lease (facility or equipment)				A	I > \$250K
	Agent/Distributor Agreements				A	A
	Consultant / Professional Services				A	A - Note 1
	All other contracts			A	I	
	All other contracts > 2 yrs in duration				A	A
	Loan Agreements or any incurrence of indebtedness or guarantee				A	A
	Purchase and Sale Agreements (Acquisitions/Divestitures)				A	A
	IP License or Cross License (exc. software and hardware)				A	I
	Software and hardware			A <=\$50K	I / A >\$50K	
	Contracts containing non-compete				A	A
	Agreements relating to the potential issuance of securities				A	A
	Investment banking or similar engagement agreements				A	A
	Agreement requiring consent for change in control, unless immaterial				A	A
	Agreement relating to insurance outside OGC program				A	A
	Any agreement not terminable at will on 90 days notice				A	A
<b>Reserves</b>						
	Accounts Receivable			A	I	
	Inventory			A	I	
	Other			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	I	A
Notice of Tax Examinations			A	I	A
(Customs)			A	I	A
(income, payroll, sales / VAT, and property)			A		A
Settlement of Tax Examinations - for all tax examinations			A		A
Tax Provision for Audited Financial Statements			A		A
Material Tax Elections			A		A
Transfer and Cross-Charge Agreements			A		A
Tax Sharing Agreements				A	A
Penalty or tax payments (excluding Sales and Use Taxes, and Payroll Taxes)				A	A
<b>Treasury</b>					
Signatory on Bank Accounts				A	A
LOC, Bank Guarantees, Bank Fees			A		A
Overdrafts on Current Accounts			A		
<b>Other</b>					
Initiate or settle litigation or gov't or regulatory actions				A	A
Charitable contributions				A	A
Political contributions			Not allowed		
Accounting & controllers manual (policies)				A	

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

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