

Energi Fenestration Solutions

Internal Control Policies

Effective Date: April 1, 2016 (Revision - Oct 28 2016)

Amounts in USD \$	Approvals Required By:										
	Plant Manager Designee (Up To 50% of Authorization)	Plant Controller	Plant Manager	Director of HR	VP of Sales	Director of Finance	Director of Financial Reporting	VP Operations	CFO	CEO	OGC Operations
Financial											
All non-inventory purchases (Requisitioned or invoiced)											
\$1-\$125,000	A										
\$125,001-\$250,000	A	A	A								
\$250,001-\$500,000		A	A			A		A		A	
>\$500,000		A	A			A		A	A	A	I - > \$500,000
Inventory Purchases											
\$1-\$125,000 - Buyer authorized to make purchases	A										
\$125,001-\$250,000	A	A	A								
\$250,001-\$1,000,000	A	A	A			A		A			
>\$1,000,000	A	A	A			A		A	A	A	I - > \$2,500,000
Compound Purchases (Intercompany Only)											
\$1-\$625,000 - Buyer authorized to make purchases	A	A									
\$625,001-\$1,250,000	A	A	A								
\$1,250,001-\$5,000,000	A	A	A			A		A			
>\$5,000,000	A	A	A			A		A	A	A	I - > \$5,000,000
*Approval limits assume inventory is purchased according to a forecast approved by Sales and Operations.											
Vendor Payments											
Check Runs						A	A				
Individual payments, non-recurring, outside ordinary business <\$50,000						A	A				
Individual payments, non-recurring, outside ordinary business >\$50,000						A	A		A	A	
Individual payments >\$50,000						A	A		A	A	
Capital Expenditures											
Budgeted \$1-\$25,000		A	A			A					
Budgeted \$25,001-\$100,000		A	A			A		A			
Budgeted > \$100,000		A	A			A		A	A	A	I - > \$100,000
Unbudgeted Cap Ex < \$100,000		A	A			A		A	A	I	I
Unbudgeted Cap Ex. \$100,001-\$250,000		A	A			A		A	A	A	I
Unbudgeted Cap Ex. > \$250,000		A	A			A		A	A	A	A
Non-budgeted Expenditures <\$250K		A	A			A			A	A	
Non-budgeted Expenditures >\$250K		A	A			A			A	A	A
Non-budgeted Expenditures require minimum Director/Dept Head Approval											
Sales Orders											
Product Sales Quote (inc line items on combined quote)											
Set pricing policy and price list			A		NOTE 1				A		
Discount to standard price <5%		A	A		NOTE 1				A		
Discount to standard price >5% < 10%		A	A		NOTE 1				A	I	
Discount to standard price >10%		A	A		A	A			A	A	I
Credit Terms											

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Denotes that Signed Approval is required
Inform: Must be informed of the decision to be taken (i.e. in advance of decision)

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New									A		
Special Terms (I.e > 30 days<60)									A		
Special Terms (I.e > 60 days)									A	A	I
Marketing											
Public Announcements (Press Releases-General)									A	A	All referencing OGC
Public Announcements (Press Releases-New Products)					A				A	A	All referencing OGC
Use of Company Names/Logos					A				A	A	
Interviews with media					A				A	A	I
Trade Shows (annual exhibition plan)					A				A	A	
Advertising (campaign)					A				A	A	
Product Management											
Warranty Terms (Product Liability - Non Standard)									A	A	I
Warranty Term Modifications								A	A		
Patents & Trademarks (filing)									A		I
Patents & Trademarks (maintenance)									A		
Human Resources											
HR Policies & Procedures				A					A	A	
Guide to ethical conduct									A	A	
Replacements <\$100,000 & within 5% of incumbent			A	A					I		I - > \$100,000
Replacements >\$100,000			A	A					A	A	
New Hires Budgeted <\$75,000			A	A					I		
New Hires Not Budgeted >\$1			A	A					A	A	I - > \$100,000
New Hires if operating below planned EBITDA target			A	A					A	A	A
(contractors follow same process)			A	A					A	A	
Other HR Related Expenditures (relocation, recruitment, etc.)				A					A	A	
Employee Terminations				A					A	A	I
All Severance Payments >1 Week Per Year (policy)				A					A	A	I
Compensation:											
Sales Commission Agreements					A		I		A	A	
Sales Commission Targets					A		I		A	A	
Special Bonuses, all							I		A	A	
All C-Level Employment Matters									A	A	A
All Employment Contracts				A					A	A	A
All MIP-Related Matters									A	A	A
Company car policy									A	A	I
All matters involving equity or change of control									A	A	A
Travel											
Travel policy Implementation/Changes							A		A	A	
Travel Advances							A		A	I	
Contracts (incl. third party suppliers)											
General operating contracts:											
Customer					A				A	A	
Lease - equipment (\$100k/yr and 3 years or less)		A	A			A		A	Note 2	Note 2	Note 2

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Policy							A		A		I
Maintenance							A		A		I
Other											
Initiate or settle litigation or gov't or regulatory actions									A	A	A
Charitable contributions											
\$1-\$1,000			A			A	A		I	I	I
>\$1,000			A			A	A		A	I	I
Memberships / Sponsorships											
\$1-\$500			A			A	A		I	I	I
>\$500			A			A	A		A	I	I
Political contributions	Not allowed										
Accounting & controllers manual (policies)						A	A		A	A	I
Plant Disposals (greater of proceeds or NBV)											
\$1-\$50,000		A	A			A	A	A	I		
>\$50,000		A	A			A	A	A	A	I	I

Note 1 - Regional Sales Manager for Quebec and Eastern Canada region approves sales quotes and pricing for the specific customers in those regions.

Note 2 - OpenGate approval required for all leases, including equipment and real estate, involving aggregate payment in excess of \$500,000 or having a term in excess of 3 years.