

**[Company Name]**  
**Matters Reserved for the Board of Directors**

<b>Financial Oversight</b>	<b>Actions</b>
Financial performance and controls	<ul style="list-style-type: none"> <li>• Monitor financial performance, including revenue, variable expenses, increases/ decreases in fixed expenses, income statement, “investments”, capital expenditures, balance sheet management and borrowing costs</li> </ul>
Audited financial results	<ul style="list-style-type: none"> <li>• Approve audit firm selection, based on Audit Committee recommendation</li> <li>• Approve annual audit, based on Audit Committee review of annual audit work papers and recommendation</li> <li>• Audit Committee to interview external audit staff to evaluate overall audit process and quality of accounting and finance function – make recommendations to BOD and Management accordingly</li> <li>• Approve any significant change in accounting policies or practices, based upon Audit Committee recommendation</li> </ul>
Operating budget and capital expenditure plan	<ul style="list-style-type: none"> <li>• Approve annual budget (annual and mid-year review)</li> <li>• Approve any changes to capital expenditures</li> </ul>
Profit sharing and bonus determinations	<ul style="list-style-type: none"> <li>• Approve targeted amounts reviewed as part of budget</li> <li>• Approve distribution of any bonuses or distribution under the “401(K) profit sharing plan” as part of year-end liquidity review</li> </ul>
Oversight of liquidity, borrowing and credit relationships	<ul style="list-style-type: none"> <li>• Approve any material amendments to credit facilities</li> <li>• Approve any increases / decreases in lines of credit or term loans</li> <li>• Monitor all hedging, cash management or investment activities</li> </ul>
Stock, Incentive Stock, and/or Options	<ul style="list-style-type: none"> <li>• Approve allocable pool of incentive stock</li> <li>• Approve any material amendments to restricted stock plans or related legal documentation</li> <li>• Approve stock valuation</li> <li>• Call for an independent valuation, if applicable</li> </ul>

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<b>Strategic Oversight</b>	<b>Actions</b>
Annual strategic plan and objectives and monitor execution	<ul style="list-style-type: none"> <li>• Approve the annual strategic plan and any material changes to it</li> <li>• Approve any redistribution of company assets not contemplated in the strategic plan (new office/location, etc.)</li> </ul>
Exclusive corporate alliances	<ul style="list-style-type: none"> <li>• Approve any material contracts or agreements that establish exclusive alliances</li> </ul>
Business combinations stock / asset transactions	<ul style="list-style-type: none"> <li>• Approve any and all acquisitions, mergers, sale of stock, transfer of stock, redemptions, and/or assets, divestitures or joint ventures</li> </ul>
Monitor customer activity	<ul style="list-style-type: none"> <li>• Evaluate any annual or similar customer audits / surveys</li> <li>• Monitor any material customer disputes and/or challenges</li> </ul>
<b>Human Capital</b>	<b>Actions</b>
Leadership	<ul style="list-style-type: none"> <li>• Evaluate and approve recruitment, as applicable, of CEO</li> <li>• Advise CEO on succession planning</li> <li>• Monitor any proposed changes to executive leadership team</li> <li>• Advise on any material changes to organization structure</li> </ul>
Compensation and Incentive Plans	<ul style="list-style-type: none"> <li>• Approve all senior management incentive plans and compensation levels and annual distributions out of the ordinary course of business</li> </ul>
Terminations / Separation	<ul style="list-style-type: none"> <li>• Approve, at the Compensation Committee level, all senior management severance agreements and terms of termination / separation</li> <li>• Approve standard policies regarding severance, based on the recommendation of the Compensation Committee</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>• Approve any material changes to 401k plans, healthcare, vacation policy or similar benefits</li> </ul>

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<b>Other Corporate Events</b>	<b>Actions</b>
Material Contracts	<ul style="list-style-type: none"> <li>• Approve any material contracts not in the ordinary course of business – major vendor contracts, alliances, etc.</li> </ul>
Risk	<ul style="list-style-type: none"> <li>• Review and approve corporate policy on annual property and casualty insurance coverage</li> <li>• Review and approve corporate policy on Director and Officers insurance</li> <li>• Review and approve corporate policy on annual health benefits plans</li> </ul>
Litigation	<ul style="list-style-type: none"> <li>• Monitor any litigation activity / Immediate notification of any material litigation activity</li> <li>• Approve any material prosecution or defense activity</li> <li>• Approve any material settlements or similar legal actions</li> </ul>
Ethics	<ul style="list-style-type: none"> <li>• Evaluate internal ethics policies and approve any material changes thereto</li> <li>• Approve any changes in corporate strategy that may impact perceived operational conflicts of interest</li> </ul>