

Sample Resolution of Board of Directors on Compliance

The General Counsel, Mr. Smith, reviewed the programs that the Company has implemented to ensure that all employees comply with the law, which is our obligation as a law-abiding organization. He explained that such programs enable the company to minimize the risk of civil litigation or criminal prosecution and the resulting losses to the business through the legal costs, business disruption, and damage to the reputation. In addition, customers will be more likely to deal with a law-abiding supplier, and employees will be motivated to work for an organization of which they can be proud. The Federal Sentencing Guidelines have established certain baseline criteria that define an effective compliance program. Mr. Smith outlined the plan to formalize a compliance program that met those criteria, and requested that the Board give its approval

Upon motion, duly seconded, the following resolution was adopted:

WHEREAS, the Company has an unwavering commitment to adhering to ethical and legal standards in all of its activities, as set forth in its Code of Conduct;

WHEREAS, the success of the Company is due in large part to its reputation for ethical and legal conduct in its dealings with customers, consumers, the government, suppliers, employees, and shareholders; and

WHEREAS, a unified compliance program, consistent with the Federal Sentencing Guidelines, will enable the Company to continue its record of outstanding record of legal compliance by ensuring compliance with law through a targeted training and information program;

THEREFORE, BE IT

RESOLVED, that this Board of Directors hereby endorses the adoption of the unified compliance program; and

FURTHER RESOLVED, that [name], [title] is appointed Compliance Officer, to be responsible for implementing this program; and

FURTHER RESOLVED, that the Audit Committee shall be responsible for compliance oversight, and shall report no less than annually to the Board of Directors on compliance.

Sample Audit Committee Compliance Resolution

WHEREAS, the Company's Board of Directors has approved a unified compliance program;

WHEREAS, the Board of Directors of the Company has delegated responsibility for oversight of the Program to this Committee; and

WHEREAS, the Board of Directors of the Company has designated [name],[title], as the Compliance Officer of the unified compliance program;

THEREFORE, BE IT

RESOLVED, that, periodically, the Compliance Officer shall report on compliance as deemed appropriate to this Committee, including;

- Progress on establishing the unified program throughout the Company so that all appropriate employees are reached;
- Steps taken in response to reported violations of law or compliance-related company policy;
- Disciplinary measures taken against violators;
- Results of inquiries into the effectiveness of the program.
- Reports of violations to enforcement authorities.