

**Form:**

Board Resolution Approving a Stock Option Plan

**Description:**

This is a sample resolution to be adopted by the Board of Directors, approving a Stock Option Plan. The form can be used with the Action by Written Unanimous Consent of the Board of Directors or the form of Minutes of the Meeting of the Board of Directors.

BOARD RESOLUTION APPROVING  
A STOCK OPTION PLAN

**ADOPTION OF STOCK OPTION PLAN.**

WHEREAS, a proposed draft of this corporation's Stock Option Plan (the "Plan") attached hereto as Exhibit A has been distributed to each member of the Board of Directors of this corporation and the Plan provides for the granting to officers and key employees of this corporation of options to acquire stock in this corporation intended to qualify as "incentive stock options" within the meaning of Section 422A of the Internal Revenue Code of 1986, as amended (the "Code"), and certain other options to purchase shares of Common Stock in this corporation which are not intended to receive special income tax treatment under the Code.

WHEREAS, it has been proposed that \_\_\_\_\_ shares of the Common Stock of this corporation be reserved for issuance upon the exercise of stock options granted pursuant to the Plan.

WHEREAS, the Board of Directors deems it to be in the best interests of this corporation and its shareholders that the Board of Directors adopt the Plan and take certain other actions necessary to ensure that this corporation continue to have the authority to grant stock options to officers, key employees, and other persons as a means of attracting and retaining such persons for the long-term success of this corporation.

NOW, THEREFORE, BE IT RESOLVED, that the Plan, in the form submitted to the Board of Directors and attached hereto as Exhibit A, be, and the same hereby is, approved and adopted, to be effective as of the date of adoption of this resolution, subject to subsequent approval by the shareholders of this corporation.

RESOLVED FURTHER, that, subject to approval by the shareholders of this corporation of the Plan, there hereby is reserved for issuance upon the exercise of stock options granted pursuant to the Plan \_\_\_\_\_ shares of Common Stock.

RESOLVED FURTHER, that \_\_\_\_\_ and \_\_\_\_\_ are hereby appointed to act as the members of the Stock Option Committee<sup>1</sup> of the Board of Directors (the "Stock Option Committee") for the purpose of administering the Plan and, commencing on the date of adoption of this resolution and until otherwise provided by resolution of the Board of Directors and subject to the approval by the shareholders of this corporation of the Plan, such Stock Option Committee shall have all the powers and exercise all the duties conferred upon it by the Plan.

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<sup>1</sup> Note that a committee is not required for administration of a Plan for a non-public company, but is often used as a matter of convenience.

RESOLVED FURTHER, that the forms of nonqualified stock option agreement (“Nonqualified Stock Option Agreement”) and incentive stock option agreement (“Incentive Stock Option Agreement”) (collectively, the “Option Agreements”) distributed to each member of the Board of Directors and attached hereto as exhibits to the Plan hereby are approved, and that all stock options granted under the Plan shall be evidenced by the execution and delivery by this corporation and each optionee of an agreement substantially in the form of either such Nonqualified Stock Option Agreement or Incentive Stock Option Agreement, with such changes thereto as the Stock Option Committee shall approve, such approval to be conclusively evidenced by the execution and deliver thereof.

RESOLVED FURTHER, that the officers of this corporation be, and each acting alone is, hereby authorized, empowered and directed, for and on behalf and in the name of this corporation, to present the Plan to the shareholders for their approval.

RESOLVED FURTHER, that the officers of the corporation be, and each acting alone is, hereby authorized, empowered and directed, for and on behalf of this corporation, to take or cause to be taken any and all actions, including, without limitation, the execution, acknowledgement, filing and delivery of any and all papers, agreements, documents, instruments and certificates, as such officers may deem necessary or advisable to carry out and perform the obligations of this corporation under the Plan and the Option Agreements, consummate the transactions contemplated therein, cause this corporation to comply with the Securities Act of 1933, as amended, and any applicable state securities law, including any such action or execution, acknowledgement, filing and delivery of documents as may be required to register or qualify the Plan and the Option Agreements thereunder or to qualify for an exemption from registration or qualification provided thereunder, and otherwise carry out the purposes and intent of the foregoing resolutions; the performance of any such acts and the execution, acknowledgement, filing and deliver by such officers of any such papers, agreements, documents, instruments and certificates shall conclusively evidence their authority therefor.

RESOLVED, that the officers of this corporation are, and each acting alone is, hereby authorized to do and perform any and all such acts, including execution of any and all documents and certificates, as such officers shall deem necessary or advisable, to carry out the purposes and intent of the foregoing resolutions.

RESOLVED FURTHER, that any actions taken by such officers prior to the date of the foregoing resolutions adopted hereby that are within the authority conferred thereby are hereby ratified, confirmed and approved as the acts and deed of this corporation.