



EQUINOX BUSINESS LAW GROUP, PLLC

11130 NE 33RD PLACE, SUITE 120, BELLEVUE, WA 98004
(425) 250-0205

BUSINESS HEALTH ASSESSMENT SUMMARY AND RECOMMENDATIONS

Sample Company, Inc.

SAMPLE

Prepared For: Business Owner

Prepared By: Equinox Attorney

Date: Today's date

Thank you for working with us to complete your Business Health Assessment. The purpose of the Business Health Assessment is to get an understanding of Sample Company's business strategy, operations and goals, and identify areas where Sample Company's business infrastructure can be enhanced to streamline processes and minimize risk to protect the business and help it grow.

FINDINGS AND RECOMMENDATIONS

The following pages present a summary of our findings and recommendations for areas requiring additional attention for strategic growth, legal compliance, or risk mitigation. Each section lists specific tasks to help your business address the identified risks and achieve its goals.

- 1. Equity Ownership.** Sample Company intends to offer equity ownership to current employees of the company to bring specific expertise to the ownership team. The future structure can take different forms with implications to governance, control, and transfers of the ownership.

Recommendations:

- Understand the goals of offering equity to employees and determine options for equity offering
- Coordinate with advisors to evaluate benefits and drawbacks of different options
- Finalize structure and present offer to employees
- Implement final structure

Benefits: Long term planning, risk mitigation

- 2. Corporate Governance.** As a corporation, Sample Company is required by law to comply with certain governance requirements, including an annual meeting of shareholders and an annual meeting of directors.

Recommendations:

- Review existing corporate governance documentation and update as necessary for compliance

Benefits: Legal compliance, risk mitigation

3. Employment Policies. Sample Company has three employees, two located in Washington and one in Oregon. The company has no formal employment and HR policies in place which creates risk for compliance. The company intends to keep its core team small, so the overall exposure is low; however, employment law is an area of constant change especially in leave and wage protections that must be provided to employees.

Recommendations:

- Review current policies for compliance with federal and state laws
- Confirm legal registration and tax compliance in Oregon

Benefits: Legal compliance, risk mitigation, staff efficiency

4. Estate Planning. Business Owner is the sole owner of Sample Company, and the company currently does not have a plan to address succession. A plan should be implemented to provide for situations such as death or incapacitation.

Recommendations:

- Determine succession planning for the company if Business Owner should be unable to serve in his role and draft the related documents

Benefits: Legal compliance, risk mitigation, staff efficiency

5. Data Privacy; Website Contracts. Sample Company's current website is used solely for outgoing information. The site has a "Contact" form that enables messages sent to the company. Sample Company anticipates that the site will be used for the purchase of products in the future. As Sample Company collects data from its website or increases the number of its website users, data privacy considerations should be evaluated, and its website Privacy Policy and Terms of Use should be updated.

Recommendations:

- Review data collection procedures in light of various data privacy laws and update website contracts to ensure legal compliance

Benefits: Legal compliance, risk mitigation

WHY CHOOSE EQUINOX?

Business owners have sacrificed countless hours & numerous resources to accomplish success for their business. You deserve legal counsel that not only helps you fix problems but avoid problems, too. Together, we'll strategize around your short- and long-term goals while balancing associated risks, always working towards a safe & successful future for your business. Hear what business leaders have to say about the Equinox Business First Approach:

“Partnering with Equinox has changed the way we do business. I know that I have a strategic business partner that will help us make good decisions that are based in business-reality.”

– JoAnn X., Terra Staffing Group

“[It] helps us to spend time and focus on legal matters that may have gone unchecked. Equinox has helped us to lay the groundwork for transitioning to the next generation.”

– Mark M., Architextures

“I was not sure if we had time to interact with Equinox to make the most of our legal fees. However, I know it doesn't take many hours for this service to pay for itself! Michelle and everyone on her team is friendly, responsive, and knowledgeable. It is a pleasure to partner with Equinox.”

– Rufina B., Dental Professionals