



Due Diligence Checklist

Don't fear this list! It is meant to cover just about any question Buyers may have about your business. Many of the items won't apply to your business, but you will be as prepared as it gets.

The diligence request list on the following pages will be used to help Buyers learn about your Company throughout the due diligence process. The purpose of this list is to help complete the due diligence as quickly as possible.

We have found that high quality responses result in a more efficient due diligence process for all parties involved.

- In order to expedite the diligence process, please send requested items in their source form (e.g. excel, word, etc. vs. PDF) as soon as they become available.
 - Requests are labeled on a scale of 1-3 **to the right of the checkboxes**; requests labeled "1" are of top priority and should be gathered first. Requests labeled "S" will be included in the Purchase Agreement Schedules.
 - Please note:
 - Regular Font = Information/documents to provide
 - Italic Font = Topics to be discussed
 - Please provide one of the responses below **in the checkboxes** to all information/document requests
 - 1 - The requested information/document is readily available
 - 2 - The requested information/document is not readily available, but can be created by someone at the Company
 - 3 - The requested information/document is not readily available and outside resources will be required to create it
 - 4 - The requested information/document is not applicable to the business
 - If a report or document is not available in the format we requested and will take a significant amount of time to create, please provide the raw or underlying data.
 - When sending information requests, please note the corresponding request number (or numbers if the information/document is applicable to more than one request).
-

1**Market & Strategy**

Information Requests

- | | | | |
|-----|--|---|--|
| 1.1 | | 1 | Memo describing a macro view of expected industry and Company revenue growth |
| 1.2 | | 2 | Mission/purpose statement of the Company |
| 1.3 | | 2 | All industry research reports, databases, project lists, other market resources, etc. used by or available to the Company and a list of any trade associations the Company is a member of and any licenses or certifications the Company holds |
| 1.4 | | 2 | Targets in place for the business plan |
| 1.5 | | 2 | Last 3 years of the Company's 5-year strategic plans and financial projections |
| 1.6 | | 2 | List of any potential Mergers & Acquisitions (M&A) opportunities |

Discussion Topics

- | | | | |
|------|--|---|---|
| 1.7 | | 1 | <i>Company's key success factors; how do you make money and increase market share in this business today and in the future?</i> |
| 1.8 | | 2 | <i>Mission/purpose of the Company</i> |
| 1.9 | | 2 | <i>Industry trends, outlook, and capacity</i> |
| 1.10 | | 2 | <i>Growth strategy of the business</i> |
| 1.11 | | 2 | <i>Vulnerability of the current strategy</i> |
| 1.12 | | 2 | <i>Strategy canvas</i> |
| 1.13 | | 2 | <i>[Risk management]</i> |
| 1.14 | | 3 | <i>Involvement in all standard organizations, certification bodies and industry consortia</i> |

2**Competitive Landscape**

Information Requests

- | | | | |
|-----|--|---|---|
| 2.1 | | 2 | List of major competitors by product |
| 2.2 | | 2 | Memo comparing the Company to its competitors in terms of market share, products, product pricing, margins, technology, employee relationships, strengths, and weaknesses, and describe opportunities and threats related to this |
| 2.3 | | 2 | List of current and future substitute products or services |

Discussion Topics

- | | | | |
|------|--|---|---|
| 2.4 | | 2 | <i>Substitute products and/or services</i> |
| 2.5 | | 2 | <i>a) Advantages of alternative products and/or services</i> |
| 2.6 | | 2 | <i>b) Price differential for substitute products and/or services</i> |
| 2.7 | | 2 | <i>Long-term and short-term Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis</i> |
| 2.8 | | 2 | <i>Customers' key purchase criteria</i> |
| 2.9 | | 2 | <i>a) Performance relative to competitors</i> |
| 2.10 | | 2 | <i>Key competitors</i> |
| 2.11 | | 2 | <i>a) What strategies are they pursuing and how successful are these strategies?</i> |
| 2.12 | | 2 | <i>b) What are the main factors that the Company competes on?</i> |

3**Marketing**

Information Requests

- | | | | |
|-----|--|---|--|
| 3.1 | | 2 | Memo describing the approach and steps used to generate a lead |
| 3.2 | | 2 | Any marketing plans prepared in the last 3 years, including trade shows normally attended and a list of advertising and promotions conducted by channel |
| 3.3 | | 2 | Current and historical market research, expansion related research, and customer surveys conducted by the Company or for the Company in the last 5 years |
| 3.4 | | 2 | Current sales brochures, price lists, product literature, other selling materials, and any other printed materials related to the Company, including any press clippings from the last 3 years |
| 3.5 | | 2 | All distributor, dealer, franchise, marketing, public relations, and advertising contracts, agreements, or commitments of the Company |

Discussion Topics

- | | | | |
|-----|--|---|-----------------------------|
| 3.6 | | 1 | <i>Customer acquisition</i> |
|-----|--|---|-----------------------------|

4 Sales

Information Requests

- | | | | |
|-----|--|---|---|
| 4.1 | | 2 | Memo describing the approach and steps used to convert a lead into an order |
| 4.2 | | 2 | Sales and pipeline reports for the last 3 years and YTD |
| 4.3 | | 2 | List of individual quotes outstanding as of the most recent month-end |
| 4.4 | | 2 | List of all quotes for the last 12 months, including the quote date, amount quoted, promised delivery date, and whether the bid was accepted |
| 4.5 | | 2 | Current and monthly backlog reports as of month end for the last fiscal year and YTD |
| 4.6 | | 2 | List and description of any "soft backlog," including the quote/order (i.e. verbal orders not yet processed) |
| 4.7 | | 2 | Productivity statistics (including revenue per salesman and quota attainment), compensation structure, account coverage, experience, and training programs for the sales team over the last 12 months |
| 4.8 | | 2 | All sales representatives and other sales contracts |

Discussion Topics

- | | | | |
|------|--|---|---|
| 4.9 | | 2 | <i>Distribution channels</i> |
| 4.10 | | 2 | <i>Win/loss analysis</i> |
| 4.11 | | 2 | <i>a) % of quotes won</i> |
| 4.12 | | 2 | <i>b) why did you win or lose</i> |
| 4.13 | | 2 | <i>c) who did you compete with on the quote</i> |
| 4.14 | | 2 | <i>How does the Company track customers, order, and trends?</i> |

5 Products

Information Requests

5.1		1	and YTD
5.2		1	List and description of product lines, including associated product prices and gross margin earned by product line
5.3		2	List and description of products offered in the past 10 years that are no longer offered
5.4		2	Memo describing the approach and/or formula used to price products
5.5		2	List and description of R&D activity over the last 5 years, including associated costs and results

Discussion Topics

5.6		2	<i>Pricing trends</i>
5.7		2	<i>Product life cycle (intro pricing, price resiliency, pricing basis, margin sensitivity, learning curve effects, etc.)</i>
5.8		2	<i>Company's ability to identify product trends and adapt its production capability to address demand</i>
5.9		2	<i>Product development opportunities</i>
5.10		2	<i>Impact of new products on the Company's revenue</i>
5.11		2	<i>Products that are a declining in% of total revenue</i>
5.12		3	<i>Product safety</i>
5.13		3	<i>Product development process</i>
5.14		3	<i>Products under development and technical issues involving new products</i>

6 Customers

Information Requests

6.1		1	Top 5 customer contracts and standard form customer contract
6.2		1	List of the top 10 customers for the last 5 years and YTD, with sales associated to each
6.3		2	List of all customers for the last 5 years and YTD, with sales associated to each
6.4		2	List of customers byproduct line, with percentage of total sales attributable to each
6.5		2	Schedule of gross margin by job and/or customer for the last fiscal year and YTD
6.6		2 S	All customer contracts and any other written or verbal agreement with customers that reflect price, volume, or other commitments for products or services
6.7		2	Customer reports, including "Supplier Scorecards" or any similar evaluations of the Company prepared by the customer
6.8		3	Memo describing the process to become an approved bidder
6.9		3	List of any top 25 customers that the Company no longer has a relationship with

Discussion Topics

6.10		2	<i>Customer relationships</i>
6.11		2	<i>Customer's key purchase criteria</i>
6.12		2	<i>a) How has this changed over time?</i>
6.13		2	<i>b) How might this change in the future?</i>
6.14		2	<i>Communication with customers</i>
6.15		2	<i>Feedback from customers</i>
6.16		2	<i>Customers perception of the Company and how this perception was evaluated</i>
6.17		2	<i>a) How was this perception evaluated?</i>

7 Operations

Information Requests

7.1		3 most recent management reports used internally by functional area of the business on a daily, weekly, monthly, quarterly, and annual basis
7.2		2 Memo describing the process from order to cash
7.3		2 All third party analyses of the Company, its properties, operations, assets, liabilities, employees, products, industry, customers, etc. prepared in the last 5 years
7.4		2 Variance analysis schedule comparing unit volume to sales growth over the last 3 years and YTD
7.5		2 List and description of the operational, customer, employee, and safety metrics that the Company monitors, along with a 3 year history of these metrics
7.6		2 List of production capacity by facility and current utilization of capacity (% of capacity and number of shifts used per plant)
7.7		3 Most recent report used by all plant managers
7.8		3 Expected costs associated with the expansion itemized by land, building, and equipment
7.9		3 Current plant backlog if different than sales backlog
7.10		3 All information pertaining to quality assurance, including, but not limited to, compliance manuals, internal memoranda, testing reports, and rejection/defect rates, and agendas and minutes of meetings with heads of operation, safety directors, and quality control directors
7.11		3 List and description of any recalls and field failures over the last 5 years
7.12		3 Cost of transportation per mile per pound (or other appropriate measure)
7.13		3 Memo addressing the following: On average, at what point during the process of converting raw materials to finished goods are the main materials ordered and received and what causes the timeframe of order to receipt to be longer than normal?
7.14		3 Detailed time line by week for a typical order
7.15		3 All Bureau of Census "Annual Survey of Manufacturers" filed by the Company during the last 5 years

Discussion Topics

7.16		2 <i>Preventative or predictive equipment maintenance program in place</i>
7.17		2 <i>Need for additional facilities/major equipment purchases</i>
7.18		2 <i>Operations for each product line</i>
7.19		2 <i>Operating improvements available through the use of new technology</i>
7.20		2 <i>Opportunities for margin improvement</i>
7.21		3 <i>Are there any current quality concerns?</i>
7.22		3 <i>Have there been any issues with the materials or workmanship observed by customers?</i>
7.23		3 <i>Are the issues repaired in the field or returned to the plant?</i>
7.24		3 <i>Production scheduling process</i>
7.25		3 <i>a) How does the Company balance lines in the plant?</i>
7.26		3 <i>b) How is productivity measured and implemented (describe process used) within the plant?</i>
7.27		3 <i>Unique production techniques and facilities</i>
7.28		3 <i>Restrictions imposed by building codes and zoning laws</i>
7.29		3 <i>Are there any safety related issues impacting the construction contractor or public?</i>

8 Suppliers

Information Requests

8.1		1	Top 5 supplier contracts
8.2		2	All supplier contracts and any other written or verbal agreements with suppliers reflecting terms extended to the Company
8.3		2	List of all suppliers for the last 5 years and YTD, with purchases associated to each
8.4		2	Memo describing a contingency plan for the loss of each of the top 5 suppliers and any single source supplier
8.5		2	Supplier Code of Conduct

Discussion Topics

8.6		2	<i>Supplier relationships</i>
8.7		2	<i>Communication with suppliers</i>
8.8		2	<i>Supplier's perception of the Company</i>
8.9		2	<i>a) How was this perception evaluated?</i>
8.10		2	<i>Supplier selection</i>
8.11		3	<i>Describe the types of materials used (e.g. type of steel used)</i>
8.12		3	<i>Is there any type of outside contractor managing the supply process?</i>
8.13		3	<i>a) is the % of supply managed through them growing?</i>
8.14		3	<i>b) has the Company or its competitors developed strategic relationships with these contractors?</i>

9 Accounting

9.1 Financial Statement Matters

Information Requests

9.1.1			All board books for the last 5 years including
9.1.2		1	a) Audited financial statements
9.1.3		1	b) Monthly financial statements that reconcile to the audited statements and monthly financial statements for each month since the last audited period
9.1.4		1	c) Projection of monthly financial statements for the next 3 years
9.1.5		1	d) Any special reports produced by outside auditors or consultants, etc.
9.1.6		2	1-year forward looking budgets historically prepared for each of the last 3 fiscal years, with variance to actual performance
9.1.7		2	Variance analysis for absolute and percentage changes YTD and for each of the last 3 years
9.1.8		2	List and description of each material cost in SG&A for the last 2 fiscal years and YTD, identifying variable and fixed costs and the amount
9.1.9		2	Schedule of prepaid expenses, aged A/R, aged A/P (discuss any discounts taken), and accrued liabilities as of the most recent month end
9.1.10		2	Schedule of fixed assets with accumulated depreciation, remaining book and tax basis, and projected depreciation by month for the next 12 months
9.1.11		2	Detailed schedule of other assets
9.1.12		2	All appraisals, market studies, and other similar reports related to the value of the assets or the business of the Company prepared in the last 3 years
9.1.13		2	Monthly capital expenditures for the last 3 years and projected monthly capital expenditures for the next 36 months
9.1.14		2	Schedule of all future operating lease payments by month
9.1.15		2	List of warranty claims and charges for the last 5 years
9.1.16		2	Trial balance for each of the last 3 years that ties to the audited financial statement

9.1.17		2	Bank reconciliations with copies of relevant bank statements as of the most recent fiscal year-end
9.1.18		2	List of related party transactions for the last 5 years and YTD
9.1.19		2	List of any debt covenant violations or payment defaults in the last 5 years
9.1.20		2	Current D&B credit report
9.1.21		3	Schedule of labor hours worked and dollars paid in cash by month for the last 24 months
9.1.22		3	Electricity bills for each of the last 24 months
9.1.23		3	List of the primary materials in the "Materials" line item on the income statement, with amounts % of total materials for the last fiscal year and YTD
9.1.24		3	All agreement and arrangements relating to hedging activities (i.e. commodity, currency, interest rate, etc.)
9.1.25		3	Results by from hedging activities for the last 3 years
9.1.26		3	Detailed list and description of all transactions/business relationships among the Company, the related companies and any parent entity or other affiliate ("intracompany transactions"), including, but not limited to: (a) borrowing arrangements or other credit arrangements, and (b) joint or shared activities including purchasing, marketing, sales, common offices, common management and (c) staff or other services provided.

Discussion Topics

9.1.27		2	<i>Revenue recognition policies</i>
9.1.28		2	<i>All potential ways customers could return product, receive credit, cause write-offs, or otherwise cause an expense or contra-revenue entry in the Company's financial statements or in an off-balance sheet vehicle</i>
9.1.29		3	<i>Related party transactions</i>

9.2 Tax Matters

Information Requests

9.2.1		2	Schedule of all pending tax liabilities
9.2.2		2	Sales by state for each of the last 3 years broken down by taxable and non-taxable sales by state
9.2.3		2	List of all tax credits and NOL carryforwards available, with a description of the limitation on usage as of the most recent fiscal year-end
9.2.4		2	Federal tax returns for each of the last 5 years, and state and local, sales and use, property, and payroll tax returns for each of the past 3 years
9.2.5		2	List and description of all statute of limitation extensions now outstanding for any tax returns
9.2.6		2	Listing and history of all tax examinations, determinations and assessments during the past 5 years and in progress (including income, withholding, excise, payroll, gross receipts, property and sales and uses taxes)
9.2.7		2	All other material agreements, memoranda, correspondence and documents relating to taxes

Discussion Topics

9.2.8		2	<i>Approach used to determine tax Nexus</i>
-------	--	---	---

9.3 Controls

Information Requests

9.3.1	<input type="checkbox"/>	2	Executed letters from the Company's auditor authorizing accounting diligence providers to access last year's audit and tax work papers
9.3.2	<input type="checkbox"/>	2	Auditor's review letters and reports on accounting systems (SAS 114 and 112 letters) for each of the last 5 years
9.3.3	<input type="checkbox"/>	2	Memo describing capitalization and expense policies for repairs, maintenance, and IT expenditures
9.3.4	<input type="checkbox"/>	2	List of major accounting changes in the last 5 years
9.3.5	<input type="checkbox"/>	2	List of bank accounts, signing authorities, and balances and any documents that establish any banking relationships - (excluding signature cards and documents related to the sale transaction)

Discussion Topics

9.3.6	<input type="checkbox"/>	2	<i>Collections process and terms extended</i>
9.3.7	<input type="checkbox"/>	2	<i>Allowance for doubtful accounts, reserve methodology, history of write-offs, etc.</i>

10 Employee Relations/HR

Information Requests

10.1	<input type="checkbox"/>	1	Organizational chart that contains all positions (including open positions)
10.2	<input type="checkbox"/>	1	Brief bios for all management team members that includes position, experience, and education
10.3	<input type="checkbox"/>	2	Employee surveys completed in the last 5 years
10.4	<input type="checkbox"/>	2	Summary of turnover statistics
10.5	<input type="checkbox"/>	2	Employee safety and security programs
10.6	<input type="checkbox"/>	2	Current employee handbook, including information about general incentive compensation, 401(k) plans, health plans, and other employee benefits plans
10.7	<input type="checkbox"/>	2	All standard documents related to employees (nondisclosure agreements, applications, confidentiality agreements, non-competition agreements, termination agreements, etc.)
10.8	<input type="checkbox"/>	2	All employment contracts
10.9	<input type="checkbox"/>	2	All severance agreements with continuing liability
10.10	<input type="checkbox"/>	2	All bonus/other incentive, royalty, and other compensation plans
10.11	<input type="checkbox"/>	2	List of sales commissions paid during last 3 years and YTD (internal and external)
10.12	<input type="checkbox"/>	2	Schedule of all employee claims (including worker's compensation, employment discrimination, unfair labor practices, etc.) and a description of material labor disputes, strikes or work stoppages which have occurred in the last 3 years
10.13	<input type="checkbox"/>	2	Schedule of loans to employees by or guaranteed by the Company or any of its affiliates
10.14	<input type="checkbox"/>	2	Complete the employee template
10.15	<input type="checkbox"/>	2	List and description of the roles and responsibilities for each position at the Company
10.16	<input type="checkbox"/>	2	List and description of any community outreach/impact programs

Discussion Topics

10.17	<input type="checkbox"/>	2	<i>Hiring process</i>
10.18	<input type="checkbox"/>	2	<i>Employee review and development process</i>
10.19	<input type="checkbox"/>	2	<i>Have any officers, executives, key employees, or any of the top 5 most highly compensated employees left the Company in the last 3 years?</i>

10.20		2	Are there current positions that make the Company vulnerable to loss of a specific employee? What is being done to mitigate this risk?
10.21		2	Employee environment
10.22		2	Community outreach/impact programs
10.23		2	Employee and community's perception of the Company
10.24		2	How was this perception evaluated?
10.25		3	Who are other large employers in the area?
10.26		3	a) Are they hiring or downsizing?
10.27		3	b) Do they pay more or less for labor?
10.28		3	c) Hiring potential?
10.29		3	Organized labor attempts

11 Insurance

Information Requests

11.1		2 S	Schedule of all insurance policies and arrangements, with premium, expiration date, limits, and retention
11.2		2	5-year loss history by line of insurance indicating paid claims, estimates, and reserves (summary form)
11.3		2	Provide a list of all claims in excess of \$50,000 during the last 15 years by insurance line, including the claim number, date of loss, claim description, payments, outstanding reserves, and insurance carrier
11.4		2	List and description of all current insurance claims
11.5		2	List of workers' compensation claims for each of the last 3 years
11.6		2	Record of employee injuries, including OSHA 300 logs and the number of injuries requiring light-duty work, doctor's treatment, or other medical treatment that requires reporting to a federal agency for the last 5 years
11.7		2 S	401k plan audit
11.8		2 S	Pension, 401k, and multi-employer plan summary and status and copies of any contractual arrangements to contribute to any employee retirement plans for employees of the Company
11.9		2	Most recent renewal applications for all insurance policies
11.10		2 S	All policies contained in the schedule of insurance and all certificates of insurance (if policies have not been received, A copy of the expiring contract accompanied by a copy of the renewal binder should be substituted)
11.11		3	List of total current bonding capacity and all bonded quotes and orders at month end for the last 24 months with carrier, premium, and broker commissions
11.12		3	Anticipated amount of bonding needed in the future

Discussion Topics

11.13		2	Insurance practices, including self-insurance and potential uninsured or underinsured liabilities
11.14		2	Anticipated changes in insurance

Information Requests

12.1		Regular reports generated by management to assess performance, availability, and utilization of IT/systems
12.2		Memo describing the implementation and use of IT business applications including, but not limited to ERP, core business related software, CRM, phones/conferencing, email, payroll, and accounting (if separate from ERP)
12.3		List and description of any outsourced IT functions, with associated contracts
12.4		Business process, network, and systems architecture diagrams
12.5		Memo describing backup and recovery procedures for all data
12.6		List and description of data storage mechanisms
12.7		List and description of security processes, procedures, policies, and technology, including non-IT related security items such as physical security and document shredding
12.8		IT policies and procedures for employees (if not listed in the employee handbook) and for systems, servers, and networks
12.9		List and description of HIPPA policies/procedure related to relevant HR information
12.10		Memo describing all bottlenecks and any single points of failure in the current IT process or systems
12.11		List and description of automated functions
12.12		List of IT hardware (if maintained separate from the accounting records) and software, including licensing information
12.13		List and description of any maintenance agreements
12.14		List of regulatory requirements related to IT

Discussion Topics

12.15		<i>Replacement cycles and approach to replacement of IT-related capital equipment and software applications</i>
12.16		<i>Software license management approach</i>
12.17		<i>Any internal or external security incidence, significant outages, data loss, or other IT event in the last 3 years</i>
12.18		<i>Data center or other location of IT systems (HVAC, power, security, and fire suppression)</i>
12.19		<i>Approach to securing confidential information</i>
12.20		<i>Backups</i>

Information Requests

13.1		Brief memo describing an overview of the history of the Company, including date and place formed, founders, and significant milestones
13.2		Certificate of incorporation or organization
13.3		Bylaws and all amendments
13.4		List of all jurisdictions in which the Company is qualified to do business, along with of all of the supporting certificates, licenses, and permits
13.5		List of all jurisdictions in which the Company is not qualified or licensed to transact business, but in which the Company

- a) Has facilities or offices
- b) Owns, leases, or has interest in real property or tangible personal property
- c) Makes sales
- d) Pays wages, salaries, or other remuneration to any person
- e) Files foreign, state, or local tax returns (including income, franchise, excise, gross receipts, employment/payroll related, real property, or personal property returns)
- f) Conducts any operations whatsoever (whether pursuant to contract, for its own account, or for the account of any other person)

Discussion Topics

13.6		2	<i>Company history</i>
13.7		2	<i>Outside advisors to the Company</i>

14 Capital Structure

Information Requests

14.1		2 S	List and description of each class of authorized common and preferred stock, including a list of all holders, the amount authorized, and the amount outstanding
14.2		2 S	List of all holders of common stock, preferred stock, and securities that are exchangeable, convertible, or exercisable into common or preferred stock, including the number of shares held and number of shares eligible to be obtained
14.3		2 S	List and description of any stock option plans, outstanding warrants, or other similar obligations
14.4		2 S	All existing and proposed shareholder agreements (including voting, repurchase, buy-sell, cross-purchase, or other stockholder agreements), voting trusts, and irrevocable proxies
14.5		2	All stock books, stock records, transfer books, and other records of issuance, repurchase, redemption, or transfer of the Company's capital stock
14.6		2 S	All agreements under which any person has registration rights, preemptive rights, or any rights of first refusal for securities of the Company
14.7		2 S	Any agreements that restrict the ability of the Company to distribute cash or other property
14.8		2 S	Schedule of all short-term and long-term debt (including capitalized leases, guarantees, and other contingent liabilities), all security interests that affect any assets of the Company (including UCCs) and any off balance sheet and other liabilities
14.9		2 S	Promissory notes, securities agreements, or other documents for loans the Company was a party to in the last 3 years
14.10		2	Compliance certificates for the last 5 years
14.11		2 S	Materials given to stockholders of the Company for the last 5 years
14.12		2 S	Presentations, offering circulars, private placement agreements, prospectuses, and other documents related to the sale of capital stock or debt by the Company or prepared in connection with obtaining financing

Discussion Topics

14.13		2	<i>Relationship and communication with debt providers and stockholders</i>
14.14		2	<i>Debt providers' and shareholders' perception of the Company</i>

Information Requests

15.1		List of all contracts the Company is a party to that it believes are currently being materially breached	2 S
15.2		List of all consents/approvals required by a third party or governmental body (federal, state, local, or foreign) in connection with a change in control of the Company	2 S
15.3		Contracts or arrangements for payments to any employee of the Company or other persons that are contingent upon a change in ownership of the Company	2 S
15.4		All contracts, agreements, arrangements, commitments, understandings, or obligations, which are not terminable upon notice of 30 days or less that:	2 S
		a) Could reasonably be expected to involve a dollar amount in excess of \$100,000 or	2 S
		b) Contain covenants (including financial covenants, negative covenants, covenant not to compete in any line of business or with any person)	2 S
15.5		All form/ template agreements used by the Company (e.g. standard form purchase contracts, terms of sale, supply agreements, warranties, etc.)	2 S
15.6		Any warranty or confidentiality agreements that deviate from the standard form	2 S
15.7		Sample of current end user license agreements	2 S
15.8		All licensing agreements the Company is a party to (a part from software license agreements)	2 S
15.9		Joint venture and partnership agreements	2 S
15.10		Management, advisory, consulting, and service agreements (or drafts)	2 S
15.11		List of the Company's patents, trademarks, service marks, trade names, copyrights, licenses, etc. (collectively IP) and any potential IP that has not been registered (e.g. trade name that has not been trademarked)	2 S
15.12		Schedule of all loans or advances to any customer, dealer, distributor, employees, or other third party that are guaranteed by the Company	2 S
15.13		Any agreements or plans relating to the sale, attempted sale, acquisition, or disposition of assets not in the ordinary course of business (including mergers, consolidations, or reorganizations)	2 S
15.14		All other contracts entered into in the last 3 years (not already requested), along with a list of all potential contracts (e.g. drafts under review) for more than \$5,000	2 S

Information Requests

16.1		List of all pending and threatened litigation, proceedings, and investigations	2 S
16.2		All citations/notices received from any government agency (OSHA, EEOC, ERISA, etc.) in the last 3 years	2
16.3		List of all lawsuits in which the Company was a party in the last 3 years	2
16.4		List and description of any reorganizations or divestitures in the last 10 years, including any retained liabilities	2 S
16.5		List of all claims against a third party the Company has not asserted through lawsuits	2

16.6		2	List and description of all actual or potential conflicts of interest that the Company's directors, officers, or employees have due to their relationship with competitors, suppliers, or any other person/entity which has any interest in the Company (financial or otherwise)
------	--	---	--

17 Environmental Matters - General

Information Requests

17.1		2	Environmental policy
17.2		2 S	All claims or notices of violation from any environmental regulatory agency (ranging from national agencies such as the EPA to local city inspection departments)
17.3		2 S	All correspondence, investigations, statements, or reports given by the Company to any environmental regulatory agency, state department of environmental regulation, or similar statute, local regulatory body, authority or agency in the last 5 years
17.4		2 S	List and description of all assets and property that have ever been used for the generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous substance (as defined by CERCLA)
17.5		2 S	Permits and procedures used by the Company for the use, handling, or storage of environmentally-regulated materials (e.g., storage tanks)
17.6		2 S	Environmental testing results related to the Company for the last 5 years
17.7		2 S	All reports (prepared by the Company or a third party) related to environmental matters (including waste disposal) for any property ever owned by the Company
17.8		2	Estimates prepared during the last 5 years regarding future expenditures for environmental programs

Discussion Topics

17.9		2	<i>Strategy to reduce environmental impact</i>
17.10		2	<i>Community/market's perception of the Company's environmental impact</i>
17.11		2	<i>Vendors' processes and associated environmental impacts</i>
17.12		2	<i>Environmental testing results</i>
17.13		2	<i>Participation in government sponsored environmental initiatives</i>
17.14		3	<i>Estimated risk associated with environmental issues from the manufacturing process</i>
17.15		3	<i>Does the Company have problems with pollution control or environmental contamination?</i>

18 Owned Real Estate and Leased Property

Information Requests

18.1		2 S	List and description of any contemplated condemnation or eminent domain proceeding
18.2		2 S	List and description of all real estate owned by the Company, including the use, square footage, rent amount, LEED certification, and evidence of compliance with zoning ordinances and regulations for each building/functional area
18.3		2 S	List and description of all leases to or from a third party, including the lease amount, property leased, and lease term
18.4		2 S	Deeds for real estate owned by the Company

Discussion Topics

- | | | | |
|------|--|---|--|
| 18.5 | | 3 | <i>Facility and surroundings</i> |
| 18.6 | | 3 | <i>a) How close is the nearest residential area?</i> |
| 18.7 | | 3 | <i>b) Rail spur?</i> |
| 18.8 | | 3 | <i>c) Access to highways/airports?</i> |

19 Regulatory Matters

Information Requests

- | | | | |
|------|--|-----|---|
| 19.1 | | 2 S | List, description, and expected outcome of current investigations of the Company by any governmental or regulatory authority |
| 19.2 | | 2 S | Any licenses or permits maintained by the Company not already provided |
| 19.3 | | 2 S | List and description of the Company's OSHA investigation and citation history |
| 19.4 | | 2 S | All OSHA audit reports |
| 19.5 | | 2 S | All claims or notices of violation from any regulatory agency (ranging from national agencies, such as OSHA, to local city inspection departments) relating to the health and safety of the Company's employees |
| 19.6 | | 3 S | List and description of any known industry-specific laws or regulations (e.g., requirement for a specific license) |

Discussion Topics

- | | | | |
|------|--|---|--|
| 19.7 | | 3 | <i>Is the Company surveyed/monitored by any advocacy groups?</i> |
| 19.8 | | 3 | <i>a) What is the feedback?</i> |