

DOCUMENTS / ACTIONS	EXPLANATIONS	STATUS/COMMENTS	COMPLETED
Company Research – To Review			
1. Strategic fit	Alignment of voice, mission statement, integration necessary, process timeline, and expected costs/savings, revenue enhancements		<input type="checkbox"/>
2. Product, service, tech differences/synergies	Clear identification of target company enablement and determination of cost savings ex post acquisition		<input type="checkbox"/>
3. Key people (acqui-hire) potential;	Management org structure, employee DD, and KYC (culture fit), labor disputes; likelihood of retention ex post closing		<input type="checkbox"/>
4. Competitive Landscape DD	Technologies that could make the company's current technology or manufacturing processes obsolete; advantages/disadvantages of the company's products and technologies		
5. Market share of target company	Competitive threat and business line extension		<input type="checkbox"/>
6. Identification a potential alternative acquisition	Mitigate against risk of offer declination		<input type="checkbox"/>
7. Employee/Target Company DD	Employment and consulting agreements, loan agreements, schedule of compensation, employee benefits, management incentive plan, actuarial reports, layoffs and resultant severance costs ex post acquisition		<input type="checkbox"/>
Commercial Diligence – To Review			
8. M&A Broker hire	Oversee related tasks to deal, including analysis/valuation, objectives, pre-qualifying incoming offers, closing process, etc.		<input type="checkbox"/>
9. Data room access	Registration documents, financial, operational, cap table		<input type="checkbox"/>
10. Top 20 customers and percentage of the total sales/revenue	Probability existing customers will remain ex post acquisition; customer concentration issues/risks		<input type="checkbox"/>
11. Customers satisfaction with target company (Customer calls)			<input type="checkbox"/>

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12. Warranty issues with current or former customers			<input type="checkbox"/>
13. Customer backlog			<input type="checkbox"/>
14. Sales terms/policies and unusual levels of returns, exchanges, refunds, or complaints			<input type="checkbox"/>
15. Sales people compensation/financial incentives to employees ex post close			<input type="checkbox"/>
16. Seasonality/cyclical in revenue and working capital requirements			<input type="checkbox"/>
17. Licensure timeline accelerations and capital savings			<input type="checkbox"/>
18. Management team DD and KYC	Key to culture fit		<input type="checkbox"/>
19. Customer concentration issues/risks			<input type="checkbox"/>
Financial DD – To Review:			
20. Target company's annual, quarterly, and monthly financial statements for the last three years	Insights into target company's financial performance and condition; clear documentation of liabilities, both current and contingent		<input type="checkbox"/>
21. Audited financial statements and duration of audit			<input type="checkbox"/>
22. Target Valuation			<input type="checkbox"/>
23. Share Price conversion			<input type="checkbox"/>

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24. Margins analysis of target company	Determine whether margins of target company are growing/contracting		<input type="checkbox"/>
25. Assumptions behind financial projections	Evaluate whether the underlying assumptions behind the company's projections are reasonable and believable		<input type="checkbox"/>
26. Growth vs. burn balance and current capital commitments	Evaluate projections for the current year compared to the board-approved budget for the same period		<input type="checkbox"/>
27. Normalized working capital necessary to continue running target company			<input type="checkbox"/>
28. "Working capital" definition of target company vs. acquirer	Definitional differences can result in a large variance of the dollar number		<input type="checkbox"/>
29. Condition of assets and liens thereon/debt commitments and repayment schedule			<input type="checkbox"/>
30. Aging of accounts receivable and related issues			<input type="checkbox"/>
31. Appropriateness of capital and operating budgets and deferments of necessary capital expenditures			<input type="checkbox"/>
32. EBITDA (and any adjustments to EBITDA) calculations			<input type="checkbox"/>
33. Sufficient financial resources	Needed to both continue operating in the ordinary course and cover its transaction expenses between the time of diligence and the anticipated closing date of the acquisition		<input type="checkbox"/>
Technology DD – To Review			
34. Domestic and foreign patents (and patents pending)	Review registered and common law trademarks and service marks		<input type="checkbox"/>

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35. Appropriate measures to protect IP (including confidentiality and invention assignment agreements)	Must also review if any material exceptions from such assignments (rights preserved by employees and consultants)		<input type="checkbox"/>
36. Copyrighted products/materials used, controlled, or owned by the target			<input type="checkbox"/>
37. Infringements on IP rights of any third party/vice versa			<input type="checkbox"/>
38. Involvement in any IP litigation/disputes			<input type="checkbox"/>
39. Technology in-licenses and value to business			<input type="checkbox"/>
40. Historical incorporation of open-source software into products, and open-source issues			<input type="checkbox"/>
41. Other liens or encumbrances on the company's IP			<input type="checkbox"/>
Material Contracts – To Review			
42. Guaranties, loans, and credit agreements			<input type="checkbox"/>
43. Customer and supplier contracts			<input type="checkbox"/>
44. Agreements of partnership or joint venture; limited liability company or operating agreements			<input type="checkbox"/>

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45. Contracts involving payments over a material dollar threshold			<input type="checkbox"/>
46. Settlement agreements			<input type="checkbox"/>
47. Past acquisition agreements			<input type="checkbox"/>
48. Equipment leases			<input type="checkbox"/>
49. Indemnification agreements			<input type="checkbox"/>
50. Employment agreements			<input type="checkbox"/>
51. Exclusivity agreements			<input type="checkbox"/>
52. Agreements imposing any restriction on the right or ability of the company to compete			<input type="checkbox"/>
53. Real estate leases/purchase agreements			<input type="checkbox"/>
54. License agreements			<input type="checkbox"/>
55. Powers of attorney			<input type="checkbox"/>
56. Franchise agreements			<input type="checkbox"/>
57. Equity finance agreements			<input type="checkbox"/>
58. Distribution, dealer, sales agency, or advertising agreements			<input type="checkbox"/>
59. Non-competition agreements			<input type="checkbox"/>

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60. Union contracts and collective bargaining agreements			<input type="checkbox"/>
61. Contracts the termination of which would result in a material adverse effect on the company			<input type="checkbox"/>
62. Any approvals required of other parties to material contracts due to a change in control or assignment			<input type="checkbox"/>
Legal DD – To Review:			
63. Filed or pending litigation, together with all complaints and other pleadings			<input type="checkbox"/>
64. Litigation settled and terms of settlement			<input type="checkbox"/>
65. Claims threatened against company			<input type="checkbox"/>
66. Consent decrees, injunctions, judgments, or orders against the company			<input type="checkbox"/>
67. Attorneys' letters to auditors			<input type="checkbox"/>
68. Insurance covering any claims, together with notices to insurance carriers			<input type="checkbox"/>
69. Matters in arbitration			<input type="checkbox"/>
70. Pending or threatened governmental proceedings against the company			<input type="checkbox"/>

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71. Potentially speaking directly to the company's outside counsel			<input type="checkbox"/>
Tax DD – To Review:			
72. Historical tax returns			<input type="checkbox"/>
73. Government audits/correspondence or notice form regarding filed tax return			<input type="checkbox"/>
74. Tax sharing and transfer pricing agreements			<input type="checkbox"/>
75. Allocation of acquisition purchase price issues			<input type="checkbox"/>
General Corporate Matters – To Review:			
76. Charter documents (certificate of incorporation, bylaws, etc.)			<input type="checkbox"/>
77. Good standing and (if applicable) tax authority certificates			<input type="checkbox"/>
78. List of subsidiaries and their respective charter documents			<input type="checkbox"/>
79. List of jurisdictions in which the company and its subsidiaries are qualified to do business			<input type="checkbox"/>
80. List of current officers and directors			<input type="checkbox"/>
81. Lists of all security holders (common, preferred, options, warrants)			<input type="checkbox"/>

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82. Stock option agreements and plans, including both standard documents and any deviations therefrom			<input type="checkbox"/>
83. Warrant agreements			<input type="checkbox"/>
84. Stock sale agreements/appreciation rights plans and related grants			<input type="checkbox"/>
85. Agreements granting restricted stock units			<input type="checkbox"/>
86. Stockholder and voting agreements			<input type="checkbox"/>
87. Stock-related preemptive rights, registration rights, redemption rights, or co-sale rights			<input type="checkbox"/>
88. Agreements restricting the payment of cash dividends			<input type="checkbox"/>
89. Evidence that securities were properly issued in compliance with applicable securities laws			<input type="checkbox"/>
90. Recapitalization or restructuring documents			<input type="checkbox"/>
91. Agreements related to any sales or purchases of businesses			<input type="checkbox"/>
92. "No-shop" or exclusivity obligations			<input type="checkbox"/>

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93. Rights of first refusal or first negotiations in connection with a sale of the company or its business			<input type="checkbox"/>
94. Minutes of stockholders' meetings since inception, including written consents to action without a meeting			<input type="checkbox"/>
95. Minutes of board of directors and any board committees since inception, including written consents to action without a meeting			<input type="checkbox"/>
96. Environmental DD			<input type="checkbox"/>
97. Property DD			<input type="checkbox"/>
98. Governmental Regulations, Filings, and Compliance with Laws DD			<input type="checkbox"/>
Related Party Transactions – To Review:			
99. Any direct or indirect interest of any officer, director, stockholder, or employee of the company in any business that competes with or does business with the company			<input type="checkbox"/>
100. Any agreements with any officer, director, stockholder, or employee that is entitled to compensation			<input type="checkbox"/>

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101. Any agreements where any officer, director, stockholder, or employee has an interest in any asset (real estate, intellectual property, personal property, etc.) of the company			<input type="checkbox"/>
Marketing Arrangements – To Review:			
102. Sales representative, distributor, agency, and franchise agreements of the company			<input type="checkbox"/>
103. Standard company sales forms or literature, including price lists, catalogs, purchase orders, etc.			<input type="checkbox"/>
104. All other agreements related to the marketing of the company's products			<input type="checkbox"/>
105. Press releases concerning the company (or any partnership or joint venture involving the company or any subsidiary)			<input type="checkbox"/>
106. Sales representative, distributor, agency, and franchise agreements of the company			<input type="checkbox"/>
Disclosure Schedule – To Review:			
107. Disclosure schedule accurately ties into the representations and warranties set forth in the acquisition agreement			<input type="checkbox"/>
108. All material contracts and amendments listed with dates and counterparties			<input type="checkbox"/>

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109. All contracts listed in the disclosure schedule contained in data room			<input type="checkbox"/>
110. All patents issued and pending summarized and listed			<input type="checkbox"/>
111. Important contracts affected by a change in control	Timing of when consents will be obtained from counterparty		<input type="checkbox"/>
112. Removal of liens plan at closing			<input type="checkbox"/>
113. Unusual employment agreements or severance arrangements			<input type="checkbox"/>
114. Properly listed outstanding capital stock, options, and warrants			<input type="checkbox"/>
115. Any material matters in disclosure schedule that are inconsistent with statements previously made on behalf of the company			<input type="checkbox"/>
116. Internal inconsistencies of disclosures/statements in disclosure schedule			<input type="checkbox"/>

