

LEGAL DUE DILIGENCE CHECKLIST
[insert the name of the company] (the “Company”)

PLEASE READ CAREFULLY THE FOLLOWING GUIDELINES BEFORE GOING THROUGH THE LIST BELOW

Please supply the copies of documents and information requested below. All copies of documents supplied should cross-refer to the section of this list to which such document relates. Initial documents must be provided together with all subsequent amendments and appendices. Where an agreement or proceedings are concerned, please provide all related documents as well, including (but not limited to) amendments, annexes, important correspondence and other (non-documented) information, which might be useful for understanding the contents of the documentation.

The below list of topics should be considered as guidelines on composing a catalogue of the most important documents of the Company and its subsidiaries. Wherever possible, digital or digitalised documents should be uploaded to an easily accessible and secure cloud storage service with an index inspired by the below list (i.e. with files separated into separate folders) to compose what is known as the Data Room. All documents in the Data Room should be authentic original versions, unless this is impossible (for example, in case an agreement is made on paper, in which case only a scanned version can be uploaded).

If no information or documents exist under a section listed below, please state “N/A” under the respective section in column “Document location/comment”. **If the same information or document is requested under several sections, please provide it only once and make a cross-reference under other sections** (for example “see Section xxx above”).

Unless the below list explicitly states otherwise, only valid documents with an effect on the present day should be disclosed in the Data Room. In some cases, the investor(s) in question may want to acquaint themselves with the history of the Company, in which case documents valid during a specific period may be requested to be uploaded or presented.

If relevant items exist outside the Company (for example, agreements relevant to the Company’s business have been concluded by the founders, founder holding companies or other persons), please provide such information and documents as well. If the Company has any subsidiaries, all items requested in respect of the Company should be provided also in respect of all subsidiaries and, in such case, the term “Company” also includes any subsidiary.

When compiling the Data Room, it is important not to withhold any documents which might allow the prospective investor(s) to better understand the different qualities and attributes of the Company, even if the documents may be viewed as negatively affecting the Company, as the founders’ (or other existing shareholders) liability under the contemplated transaction usually comprises undisclosed information.

Alongside the Data Room, a recordable and secure method of communication with the investor(s) and/or their advisers should be set up to facilitate asking.

Item for which information is requested	Document location / comment
1. CORPORATE MATTERS	
1.1. List of subsidiaries and other entities in which the Company has a shareholding. The list should include the full business name and registration number of each company. For companies incorporated outside Estonia, please provide a certificate of directors, certificate of shareholders, certificate of incorporation/articles of incorporation (including any amendments), certificate of good standing, charter, articles of association, by-laws or other similar constitutional documents.	

Item for which information is requested	Document location / comment
1.2. List of all locations (by street address, city, country) at which the Company owns or leases property, maintains employees or conducts business.	
1.3. All minutes of meetings and resolutions of shareholders or supervisory board.	
1.4. Most recent business plan, budget and forecast of the Company.	
1.5. Most recent offering memorandum, slide deck introducing the business or similar document of the Company.	
1.6. Most recent financial statements (annual report) and latest monthly financial statements. Auditors' reports on financial statements. Details of any material changes in the Company's business which took place after the end of the last financial year.	
1.7. Reports, studies and letters by accountants, auditors, lawyers or other advisors relating to the business, financial or legal condition of the Company, including due diligence reports.	
1.8. Details of all professional associations of which the Company is a part of, and related self-regulations imposed on the Company.	
2. SHARE CAPITAL AND SHAREHOLDERS	
2.1. Current list of shareholders (cap table and extract from the relevant registry) showing ownership percentages. The list should also include holders of options, warrants, convertible loans or notes or other instruments carrying the right to acquire shares.	
2.2. Shareholders' agreements.	
2.3. Overview of financing history (dates, investors, investment amounts, forms of financing: convertible, equity, other).	
2.4. A summary of the vesting schedules of options or shares subject to vesting.	
2.5. Agreements relating to issuance or sale of shares (including investment agreements of previous investment rounds), issuance or grant of options, warrants, convertible loans or convertible notes or any other instruments convertible or exchangeable for shares.	
2.6. Agreements relating to pledges and other security interests and encumbrances on any shares.	

Item for which information is requested	Document location / comment
2.7. Details of provisions in agreements requiring consents, approvals or notifications or establishing other restrictions in connection with additional financings, changes in ownership or shareholders' structure, issue of new shares, transfer of existing shares.	
3. FINANCING	
3.1. Overview of debt instruments and credit agreements for financing the Company, including bonds, loan, credit, overdraft, factoring, leasing, deferred purchase agreements. Notices served by any financing providers requiring repayment or requesting additional collateral or other action.	
3.2. Instruments and agreements whereby the Company has granted financing to any third party, including any collaterals and securities given by any third party to the Company.	
3.3. List of all outstanding debts (including taxes, if any) and claims of the Company.	
3.4. Overview of guarantees, suretyships, pledges and other collateral or security arrangements issued by or encumbering the property of the Company or given by a shareholder or a third party for the purposes of securing the obligations of the Company together with copies of relevant agreements.	
3.5. Overview of state aid, investment grants, subsidies and similar financial support obtained by the Company. Details of any act or circumstance which may have taken place or which is likely to take place by which the Company may be held liable to refund any such grant in whole or in part.	
4. SUPPLIERS AND CUSTOMERS	
4.1. List of material suppliers of the Company ¹ together with the breakdown of the value of their supplies and services and copies of agreements with them.	
4.2. List of material customers of the Company ² , their share in turnover and copies of agreements with them.	
4.3. Agency, marketing, resale, distribution and franchise agreements.	

¹ "Material supplier" means a supplier or service provider if the value of the supplies attributable to it (together with its related parties) has exceeded 5% in any of the latest two financial periods or if the respective supplies or services are otherwise material in the context of the business.

² "Material customer" means a customer whose share in the turnover of the Company has exceeded 5% in any of the latest two financial periods or who is otherwise material in the context of the business.

Item for which information is requested	Document location / comment
4.4. Standard terms of service, terms of sales and terms of licenses and other standard forms of agreements used by the Company.	
4.5. Agreements granting any customer special terms, for example, special payment terms, special discounts or rates.	
4.6. Details of the Company's projected pipeline, any negotiations of material significance currently in progress.	
5. MANAGEMENT, EMPLOYEES AND ADVISORS	
5.1. A schedule setting out the breakdown of employees by function/department and the following information for each of the Company's employees, management board and supervisory board members and other officers: 5.1.1. name and date of birth; 5.1.2. date of commencement of present employment or service; 5.1.3. job title and place of employment; 5.1.4. annual basic salary and bonus schemes; 5.1.5. benefits, including reimbursable expenses, car allowances, paid time off; 5.1.6. whether employee is full or part time, temporary or otherwise atypical; 5.2. participation in incentive schemes.	
5.3. Employment agreements, board member agreements and any other agreements or proposed transactions with employees, management or supervisory board members or other officers. If the Company uses standard terms / template which is uniformly applied, then only one template needs to be provided.	
5.4. Employee benefit, incentive and motivation plans and schemes.	
5.5. Agreements with self-employed consultants, advisors, and other contractors.	
6. INTELLECTUAL PROPERTY, IT AND DATA PROCESSING	
6.1. Overview of intellectual property owned or used by the Company (the " Intellectual Property ") including copyrights, patents, domain names, databases, and trademarks. List of major components used to create Company's product (including open-source, licensed software, and APIs). Please describe shortly which elements (e.g. software solutions) constitute the core Intellectual Property of the Company and what is the relevance/importance of each such element. In case the Company uses open source software for	

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software development, please include relevant information in the description.	
6.2. Details of claims made by any employee, consultant, contractor or other third party over the Intellectual Property. Details on any encumbrances of the Intellectual Property of the Company.	
6.3. All licenses or other agreements with respect to the Company's or other's Intellectual Property other than licenses or agreements pertaining to "off-the-shelf" or standard products. All agreements for the development (or joint development) of Intellectual Property.	
6.4. Details of all material IT equipment owned or used by the Company	
6.5. Information on personal data collected, stored and processed by the Company, rules and procedures established for personal data collection, storage and processing, information on transfer of personal data to third parties (specifying if any transfer is to a non-EEA country) and agreements on personal data processing. Communication with data protection authorities.	
7. OTHER AGREEMENTS	
7.1. Agreements relating to acquisition or disposal of shareholdings in other entities, businesses or significant assets.	
7.2. Agreements of the Company currently existing or which have at any time during the last three years existed with any current or past shareholder, board member, other officer or director or employee (other than employment agreements) or any person related thereto.	
7.3. Partnership, joint venture, profit sharing and similar agreements.	
7.4. Agreements or arrangements with competitors (whether or not written or legally binding).	
7.5. Other material agreements, i.e. any other agreements, which are important to the business of the Company or which may otherwise interest the investor due to the significant rights, obligations or liabilities which arise from therein.	
8. LEGAL AND REGULATORY	
8.1. List of all licenses, permits, registrations and other similar authorisations necessary to conduct the business of the Company together with copies of relevant documents. List of any applications for licenses and permits which have	

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yet been granted or which have been revoked. Full details of any breach or other circumstance which may reasonably likely lead to termination, revocation or non-renewal of any such license, permit, registration or authorisation.	
8.2. Reports and audits made by public authorities in relation to the Company or its business activities. List and description of any alleged violation or investigation, inspection or enquiry by any governmental or local authority in which the Company is or has been involved. Copies of all relevant documents.	
8.3. List and description of any disputes, court or out of court proceedings (incl. communication in relation to breaches of contract) in which the Company is or has been involved. Copies of all relevant claims, decisions, judgements etc. in any such litigation or proceedings. Any of the aforementioned details where the shares of the Company are concerned.	
9. OTHER RELEVANT INFORMATION AND DOCUMENTS	
9.1. Any other contracts, agreements or documents and any other information that the Company believes to be material with respect to any part of the current or future business of the Company or of interest to investors for the purposes of considering potential investment in the Company.	
9.2. Summary of the terms of all verbal agreements, transactions, commitments or understandings which would qualify under any of the sections Error! Reference source not found. - Error! Reference source not found. above.	
9.3. Information on agreements and transactions in the process of negotiations that once signed, would qualify under any of the sections Error! Reference source not found. - Error! Reference source not found. above.	