



# VIC INSPECTIONS HOLDING LTD

## COMPLIANCE CODE & BUSINESS ETHICS

VIC's Compliance & Business ethics based on the TIC COUNCIL (TIC) code outlines our company's ethical and compliance standards for conducting quality and quantity inspection activities throughout the world and serves as a guide for employees when they face dilemmas where the right choice is not clear. Our Code is based in our Guiding Principles, which are ingrained in our culture and serve as the foundation for the behaviours expected from all of our employees in all parts of the world.

### Our Guiding 7 Principles

- *Integrity*
- *Conflict of Interests*
- *Confidentiality and Data Protection*
- *Anti-Bribery*
- *Fair Business Conduct*
- *Health and Safety*
- *Fair Labour*

Our [online Ethic line](#) is available 24 hours a day, 7 days a week for employees and third parties anywhere in the world (subject to certain countries' legal limitations).

[Phone Ethic line.](#)

### Compliance Policies

- [Ethics line report categories](#)
- [Anti Corruption](#)
- [Fair Marketing Policy](#)
- [Integrity and Ethical Business Conduct Policy](#)
- [Third Party Integrity and Ethical Business Conduct Policy Agreement](#)
- [Conflicts of interest](#)

**VIC HOLDING**

VIC Inspection Services Holding Limited  
Unit 203, Second Floor, China House,  
401 Edgware Road, London, England NW2 6GY  
Tel: +44 201237677 Company No. 08989902  
[holding@vicworldwide.com](mailto:holding@vicworldwide.com) [www.vicworldwide.com](http://www.vicworldwide.com)

MEMBER OF THE VIC INSPECTION SERVICES  
HOLDING LTD GROUP

## Our external audits

### **1 Frequency**

The effectiveness of the implementation of the Program is required to be examined at least annually by the VIC Inspections Holding Ltd.'s appointed independent external audit firm.

### **2 Independent external audit firm**

VIC Inspections Holding Ltd.'s independent external audit firm appointed to carry-out this examination will normally be the firm engaged for the audit of VIC Inspections Holding Ltd.'s (consolidated) financial statements. If it is not a member of a recognized national professional accountancy organization it needs to be approved by IFIA's Director General.

For Members with international operations, it should be an international audit firm having offices in most countries or regions where VIC Inspections Holding Ltd. operates and employing a uniform international audit approach and methods.

NOTE 1 - If VIC Inspections Holding Ltd.'s operation includes countries where the international audit firm does not have offices and it is necessary to use different external audit firms, VIC Inspections Holding Ltd. and its international external audit firm will report to the Director General on the arrangements made to ensure that a consistent examination of the Program implementation is achieved in respect of all locations. In such cases, VIC Inspections Holding Ltd.'s international external audit firm should act as the coordinator of the other external audit firms and prepare one consolidated Assurance Report.

NOTE 2 – VIC Inspections Holding Ltd.'s appointed external audit firm may, by agreement with VIC Inspections Holding Ltd., utilize the services and reports of independent management system certification or accreditation bodies which have performed audits of VIC Inspections Holding Ltd.'s management systems. However, neither such certification and accreditation bodies nor their reports should be used for the verification of the financial aspects relating to Business Relationships and the Business Principles for countering Bribery, without the prior approval of the Director General.



### 3 Notification to TIC COUNCIL of VIC Inspections Holding Ltd.'s appointed external audit firm

Prior to the appointment of the external audit firm, or any subsequent proposed changes thereof, VIC Inspections Holding Ltd. will submit details to the Director General for confirmation of compliance with TIC COUNCIL requirements.

### 4 Scope of examination

For the purposes of demonstrating that VIC Inspections Holding Ltd. is in conformance with the TIC COUNCIL Compliance Code, VIC Inspections Holding Ltd. will require the external audit firm to proceed as set out in EITHER paragraph 4.1 OR paragraph 4.2 below:

4.1 Perform an assurance review based on the International Standard on Auditing (ISA) as adapted for the TIC COUNCIL Compliance Code, to include as a minimum the following steps:

✓ Verify that VIC Inspections Holding Ltd. has established a Compliance Program incorporating the requirements of the TIC COUNCIL Compliance Code.

✓ Verify that VIC Inspections Holding Ltd.'s current Compliance Program (including the Principles) remains identical to that submitted to, and approved by, TIC COUNCIL as VIC Inspections Holding Ltd.'s implementation of the current version of the TIC COUNCIL Compliance Code.

✓ Observe the existence of internal management systems, processes and controls in respect of

(a) alleged violations (b) VIC Inspections Holding Ltd.'s Compliance Committee records and (c) compliance training.

✓ Review the following consolidated management statements:

- Political Contributions

- Charitable Contributions and Sponsorships



- Intermediaries' remuneration
- Extraordinary expenditures relating to gifts, hospitality and expenses and verify whether these statements:
- reconcile with the accounting records and supporting documentation
- have been approved by VIC Inspections Holding Ltd.'s Compliance Committee were applicable.

✓ Verify that Management Declarations have been received from all Senior Managers as identified by VIC Inspections Holding Ltd. including at least one in respect of each Group

Member within VIC Inspections Holding Ltd.'s Group membership (if any) as listed or referenced in the TIC COUNCIL Members Directory and test the follow-up systems employed for ensuring that all matters of concern or reports have been addressed or acted upon by the Compliance Officer.

✓ Review any other areas and audit procedures as considered appropriate by the external audit firm and agreed with VIC Inspections Holding Ltd..

(b) Confirm that information relating to the operation of VIC Inspections Holding Ltd.'s Compliance Program is available from each Group Member within VIC Inspections Holding Ltd.'s Group membership (if any) as listed or referenced in the TIC COUNCIL Members Directory TIC COUNCIL Compliance Code Amended December 2013

(c) Perform the assurance review, as above, by audit sampling in respect of VIC Inspections

Holding Ltd.'s locations including any Group Members within VIC Inspections Holding Ltd.'s Group membership and the systems and documentation applicable to those locations/entities. The audit sampling should be agreed between the auditor and VIC Inspections Holding Ltd., based upon a compliance risk assessment and taking into account VIC Inspections Holding Ltd.'s organization and peculiarities.

(d) Maximize the use of VIC Inspections Holding Ltd.'s internal audits to avoid duplication of efforts and minimize additional costs.

(e) Report in accordance with Annex B and as provided in paragraph 5 below.

Note: Reportable Conditions



Significant deficiencies in the design or implementation of VIC Inspections Holding Ltd.'s Program that adversely affect VIC Inspections Holding Ltd.'s ability to ensure conformity with the TIC COUNCIL Compliance Code should be deemed reportable conditions. Where such conditions are detected by the external audit firm during performance of the assurance review, they should be reported regardless of whether or not VIC Inspections Holding Ltd. has already taken corrective action. The external audit firm should not be required to include in its Report any minor non-conformities detected. These should be communicated separately to VIC Inspections Holding Ltd.'s management for corrective action within the time frame stipulated by the auditor.

#### 4.2C

- (a) Perform procedures agreed between VIC Inspections Holding Ltd. and the external audit firm and approved by the Director General, in accordance with Annex C of IFIA's compliance code.
- (b) Perform these procedures by sampling in respect of VIC Inspections Holding Ltd.'s locations including any Group Members within VIC Inspections Holding Ltd.'s Group membership and the systems and documentation applicable to these locations/entities, The sampling should be agreed between the auditor and VIC Inspections Holding Ltd. taking into account VIC Inspections Holding Ltd.'s organization and peculiarities
- (c) Maximize the use of VIC Inspections Holding Ltd.'s internal audits to avoid duplication of effort and minimize additional costs in so far as is permitted by the local standards under which the agreed upon procedures are being performed
- (d) Report on each procedure referred to in 4.2 (a) above in accordance with Annex C and as provided in paragraph 5 below.

#### **5 External audit firm's Report**

VIC Inspections Holding Ltd. should require the external audit firm to issue a Report based on the Proforma Report, contained in Annex C (attached) of IFIA's compliance code, which is provided for guidance and may be adjusted as considered appropriate by the external audit firm and/or as may be required by professional standards.

VIC Inspections Holding Ltd. is required to send a copy of its external audit firm's Report to the Director General within 6 months of the end of VIC Inspections Holding Ltd.'s financial year. The Director General will submit to the TIC COUNCIL summary reports of the Reports received. In the event that a Report



contains Reportable Conditions, the Director General will follow these up, where applicable, in conformance with the TIC COUNCIL Complaints and Disciplinary Procedures.

---

## **Proforma Report of external audit form (Agreed Upon Procedures)**

**“Report on……… (name of Member)’s Compliance Program”**

1. We have performed the procedures enumerated below, which were agreed to by the Member and the International Federation of Inspection Agencies ("IFIA"), solely to assist you the Member in reviewing your Compliance Program in connection with your membership in IFIA. The Member is responsible for implementing a Compliance Program that conforms to TIC COUNCIL guidance. This engagement was conducted in accordance with (state applicable standard). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

2. We have performed the following procedures:

2.1. Compliance Program

2.1.1. Obtained from management the Member's documented Compliance Program [Document Name] (the "Compliance Program") dated [date].

2.1.2. Confirmed that the Compliance Program addresses each of the following TIC COUNCIL Compliance Principles:

2.1.2.1. Integrity

2.1.2.2. Conflicts of interest;

2.1.2.3. Confidentiality

2.1.2.4. Anti-bribery

2.1.2.5. Fair marketing

2.1.3. Obtained from management a copy of the transmittal letter used to send the Member's Compliance Program to the TIC COUNCIL Director General. Confirmed that the transmittal letter was dated between [date of publication] (which was the date that the Compliance Program was approved by the Board) and [date one month later]. Obtained a copy of IFIA's acceptance of the Compliance Program documentation. Obtained representation from management that no changes have been made to the Compliance Program subsequent to [date of publication].

2.2. Compliance Committee and Compliance Officer

2.2.1. Obtained Board minutes dated [date] from management. Confirmed that those Board Minutes contained the following attributes:

2.2.1.1. The appointment of [Name] as Compliance Officer



2.2.1.2. A description of the Compliance Officer's responsibility and authority for implementing and operating the Compliance Program throughout the organization

2.2.2. Obtained from management the Compliance Committee constitution dated [date] and confirmed that each of the following positions exist on the Compliance Committee:

2.2.2.1. Chief Executive Officer

2.2.2.2. Compliance OfficerC COUNCIL

2.2.2.3. A representative from the Board

2.2.3. Confirmed that the Compliance Committee constitution obtained in step 2.2.2 above charges the Compliance Committee with overseeing the Compliance Program.

2.3. Training

2.3.1. Obtained from management a list of all employees of the Member as of [date]. (We make no comment with respect to the completeness or accuracy of the list.)

2.3.1.1. Non-statistically selected xx employees from the list.

2.3.1.2. Obtained from management a second list of all employees who have completed the Compliance Program training course between [date to date]. (We make no comment with respect to the completeness or accuracy of the list.)

2.3.1.3. Confirmed that each selected employee in 2.3.1.1 was included on the second list obtained in 2.3.1.2.

2.3.2. Obtained from management the most current Compliance Program training course dated [date].

Confirmed by examination of the index that each of the following principles was addressed:

2.3.2.1. Integrity

2.3.2.2. Conflicts of interest

2.3.2.3. Confidentiality

2.3.2.4. Anti-bribery

2.3.2.5. Fair marketing

2.3.3. Obtained from management the means by which they provide an opportunity for employees to provide input on the development of the Compliance Program.

2.4. Reporting Violations

2.4.1. Called the Member's "Employee Help Line" at 1 (xxx) xxx-xxxx on [date] and [time] and observed that the call was answered by an individual identifying themselves as a helpline employee of the Member.

2.4.2. Using the Compliance Program obtained, confirmed that it includes a reference to the Help Line.

2.4.3. Using the Compliance Program obtained, confirmed that it includes provisions for protection of confidentiality for this attribute.

2.5. Public Disclosure of Compliance Principles

2.5.1. Accessed the Member's web site at (name website) on [date, time] and confirmed that the Compliance Program dated [date] was posted.



2.5.2. Confirmed that the Compliance Program posted on (name website) had the same date as the Compliance Program obtained in step 2.1.1.

2.5.3. Obtained a description of the steps an interested party would take to provide inquiries, complaints or feedback via the Member's website (name site).

#### TIC COUNCIL

2.5.4. Accessed the Member's web site (name site) on [date, time] and confirmed the existence of the method described to us in step 2.5.3. Reperformed [what they told us to do].

#### 2.6. Investigations

2.6.1. Using the Compliance Program obtained, confirmed that it includes a provision where employees can report known or suspected violations to the Compliance Officer, the employee's superior, a member of senior management, or an internal auditor.

2.6.2. Using the Compliance Program obtained, confirmed that the Compliance Program requires employees to report any solicitation of, or offer of, an improper payment or advantage coming to their attention.

2.6.3. Obtained from management the most current [policy] document for handling investigations and sanctions. Confirmed that the [policy] document includes:

2.6.3.1. Requirements that all reported matters (known or suspected violations) are investigated

2.6.3.2. Maintenance of records of all reported violations and subsequent actions taken

2.6.3.3. A due diligence process that includes an interview of the alleged perpetrator

2.6.3.4. Requirements for management or the Compliance Committee to decide on the appropriate corrective action/sanctions if the allegation is substantiated

2.6.3.5. Potential corrective action sanctions that include Reprimand, Demotion, Suspension and Dismissal

2.6.3.6. Protocols for providing the Compliance Officer with periodic updates regarding the status of investigations

2.6.3.7. Requirements for the Compliance Officer to prepare periodic reports for the Compliance Committee on investigations, violations, and the implementation of corrective actions and disciplinary measures

#### 2.7. Confidential Business Information

2.7.1. Obtained from management the most current [policy] document stating that access to confidential business information is restricted to authorized personnel

2.7.1.1. Using the document obtained in step 2.7.1, confirmed that the [policy] document includes provisions regarding the access to, storage of, and disposal of, and access to confidential business information

#### 2.8. Consolidated Management Statements

2.8.1. Obtained the Member's consolidated financial statements/general ledger/trial balance, as appropriate, dated [date]. (We make no comment with respect to the completeness or accuracy of the list.)





2.8.2. Obtained a schedule prepared by management for each of the following expenses for the period [date to date], or confirmation that no payments in any of the categories is made:

2.8.2.1. Political contributions

2.8.2.2. Charitable contributions and sponsorships

2.8.2.3. Expenditures relating to gifts, hospitality and expenses

2.8.2.4. Intermediaries' remuneration

2.8.3. Confirmed, where applicable, the existence of a separate general ledger account for each of the areas identified in 2.8.2.1 - 2.8.2.4.

2.8.4. Confirmed, where applicable, that the general ledger account balance matched the balance on the schedule prepared by management for each of the areas identified in 2.8.2.1 - 2.8.2.4.

2.8.5. Confirmed that the schedule prepared by management for each of the applicable areas identified in 2.8.2.1 - 2.8.2.4 were presented to and approved by the Audit Committee.

2.8.6. Non-statistically selected xx transactions from each schedule prepared by management.

2.8.6.1. Obtained supporting documentation for each transaction selected.

2.8.6.2. Traced the supporting documentation for each transaction selected in 2.8.6 to the transaction amount on the schedule prepared by management obtained in 2.8.2.

2.9. Business Relationships

2.9.1. Obtained from management a listing of all business partners as defined by IFIA. (We make no comment with respect to the completeness or accuracy of the list.) If the Member stated they have no business partners no further testing was performed. Otherwise, non-statistically selected xx business partners. If there were fewer than 10 business partners, selected all.

2.9.2. For each business partner selected in 2.9.1, obtained representation from management whether the relationship was initiated or renewed between [date] and [date]. For each business partner where the relationship was initiated or renewed, obtained [due diligence documentation name] from management where the Member recorded the due diligence steps performed. Confirmed that the due diligence steps include the following steps:

2.9.2.1. Risk analysis, including procedures to evaluate whether the proposed business partner is known to be involved in bribery

2.9.2.2. Interview with the party

2.9.2.3. Investigation of the party's background, with evidence of review and approval by the Compliance Committee

2.9.2.4. Remuneration analysis reviewed and approved by the Compliance Committee

2.9.3. For each selection, obtained from management the current contract between the business partner and the Member and confirmed that (except in the case of subcontractors) the following attributes exist in the contract:

2.9.3.1. A requirement that the business partner comply with the Compliance Program

2.9.3.2. A provision allowing the Member to verify the business partner's compliance with the Compliance Program

2.9.3.3. An allowance for the Member to implement remedial action in the event the business partner breaches the Compliance Program

2.9.4. Obtained from management a list of all breaches of the Compliance Program by business partners during the review period. (We make no comment with respect to the completeness or accuracy of the list.)

Obtained [specific description document] documenting the remedial action taken for each breach.

2.10. Annual Management Declarations

2.10.1. Obtained from management a current listing of all employees identified as senior managers, including at least one in respect of each Group Member within the Member's Group membership (if any) as listed or referenced in the TIC COUNCIL Members

Directory. (We make no comment with respect to the completeness or accuracy of the list.) Non-statistically selected xx individuals from the listing. Obtained each individual's signed Management Declaration for the year

2.10.2. Confirmed that the following attributes, from Annex A to IFIA's Compliance Code, exist on each signed Management Declaration:

2.10.2.1. Name

2.10.2.2. Job title

2.10.2.3. Locations and/or activities covered by the declaration

2.10.2.4. Declaration of implementation

2.10.2.5. Confirmation that the date listed next to the signature on each form is between [date and date]

2.11. Internal Audits

2.11.1. Obtained from management the Member's internal audit plan and confirmed that

2.11.1.1. It includes audits to verify that the Compliance Program has been implemented within the Member's organization

2.11.1.2. Whether compliance findings resulting from such audits have been reported to the Compliance Officer

2.11.1.3. That, where this is the case, follow-up actions have been taken

3. Factual Findings: Our findings with respect to the above procedures are as follows:

4. The procedures that we have performed do not constitute an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements and, consequently no assurance will be expressed on the adherence to IFIA's Compliance Code. Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention that would have been reported to you. This report is intended solely for the information and use of Member and the Director General of IFIA, and is not intended to be and should not be used by anyone other than these specified parties. This report relates only to the accounts and items specified above, and does not extend to any consolidated financial statements of the Member, taken as a whole.

.....

.....

Name of External Audit Firm

Date. London, 30 October 2020

---

## COMPLIANCE COMITEE AND OFFICER APPOINTMENT

Having met in London on 10th of January 2017 the board of directors of VIC Inspection Services Holding Ltd. and after having discussed about the implementation of the company's compliance program, have decided to appoint a compliance committee and a compliance officer for the sake of a correct and good implementation as well as a compliance officer who will be managing the program.

This committee will carry out periodic reviews and will report the results and agreements to the company's President;

Alessio Bisutti -President & CEO

Stefano Pinton -Vice-President & General Manager

Cesc Clapés - Vice president & Commercial Director

## COMPLIANCE COMMITTEE

Alessio

**VIC HOLDING**

VIC Inspection Services Holding Limited  
Unit 203, Second Floor, China House,  
401 Edgware Road, London, England NW2 6GY  
Tel: +44 201237677 Company No. 08989902  
holding@vicworldwide.com www.vicworldwide.com

Bissuti. - President

MEMBER OF THE VIC INSPECTION SERVICES  
HOLDING LTD GROUP



Stefano Pinton – Vice President

Cesc Clapés – Vice President

COMPLIANCE OFFICER

Stefano Pinton - General Manager

London, 10 of January 2017,

In case a due diligence should be needed, this is the procedure VIC will follow:

Due Diligence Request Checklist

Set forth below is a preliminary list of documents and information regarding [Company Name] (together with all subsidiaries and any predecessors, collectively, the “Company”) which must be reviewed by VIC INSPECTIONS HOLDING LTD, (“Buyer”) and its counsel and advisors in connection with a possible transaction with the Company. This is not a definitive list, and as the review proceeds, additional items may be requested. Please assemble and deliver the documents and information requested below for our review as



soon as possible. To expedite our review, we suggest you provide responsive materials on a rolling basis as soon as they are available for production.

Unless otherwise indicated, documents should be made available for all periods subsequent to [XX] years and should include all amendments, supplements and other ancillary documents. Unless otherwise indicated, the word “material” means an item involving payments (to or from the Company) or liabilities in excess of \$[XX,000].

To the extent that you have already provided VIC INSPECTIONS HOLDING LTD. information or documents that are responsive to any of the requests, please note this next to the applicable item in the attached list. Please provide all other requested information or documents. If any of the items requested does not exist or is not relevant to the Company, please note this by placing the words “NONE” or “NOT APPLICABLE” below the listed item. Additionally, it will expedite our review if you would mark each document that you furnish to us in response to this list with the item number to which that document corresponds.

If there is any change in circumstances arising after you respond to any of the requests below, you should promptly notify us and provide us with any additional documents that may be necessary. Although we have attempted to be comprehensive in our initial due diligence request, we anticipate that the due diligence process will cause us to identify additional items that we will need to request and review.

Please direct your responses to these inquiries and/or any questions you may have to VIC INSPECTIONS HOLDING LTD.

#### **A. ORGANIZATION OF THE COMPANY**

1. Describe the corporate or other structure of the legal entities that comprise the Company. Include any helpful diagrams or charts. Provide a list of the officers and directors of the Company and a brief description of their duties.
2. Long-form certificate of good standing and articles or certificate of incorporation from Secretary of State or other appropriate official in the Company's jurisdiction of incorporation, listing all documents on file with respect to the Company, and a copy of all documents listed therein.
3. Current by-laws of the Company.
4. List of all jurisdictions in which the Company is qualified to do business and list of all other jurisdictions in which the Company owns or leases real property or maintains an office and a description of



business in each such jurisdiction. Copies of the certificate of authority, good standing certificates and tax status certificates from all jurisdictions in which the Company is qualified to do business.

5. All minutes for meetings of the Company's board of directors, board committees and stockholders for the last [five] years, and all written actions or consents in lieu of meetings thereof.

6. List of all subsidiaries and other entities (including partnerships) in which the Company has an equity interest; organizational chart showing ownership of such entities; and any agreements relating to the Company's interest in any such entity.

## **B. OWNERSHIP AND CONTROL OF THE COMPANY**

1. Capitalization of the Company, including all outstanding capital stock, convertible securities, options, warrants and similar instruments.

2. List of security holders of the Company (including option and warrant holders), setting forth class and number of securities held.

3. Copies of any voting agreements, stockholder agreements, proxies, transfer restriction agreements, rights of first offer or refusal, pre-emptive rights, registration agreements or other agreements regarding the ownership or control of the Company.

## **C. ASSETS AND OPERATIONS**

1. Annual financial statements with notes thereto for the past three fiscal years of the Company, and the latest interim financial statements since the end of the last fiscal year and product sales and cost of sales (including royalties) analysis for each product which is part of assets to be sold.

2. All current budgets and projections including projections for product sales and cost of sales.

3. Any auditors (internal and external) letters and reports to management for the past [five] years (and management's responses thereto).

4. Provide a detailed breakdown of the basis for the allowance for doubtful accounts.

5. Inventory valuation, including turnover rates and statistics, gross profit percentages and obsolescence analyses including inventory of each product which is part of assets to be sold.

6. Letters to auditors from outside counsel.

7. Description of any real estate owned by the Company and copies of related deeds, surveys, title insurance policies (and all documents referred to therein), title opinions, certificates of occupancy, easements, zoning variances, condemnation or eminent domain orders or proceedings, deeds of trust, mortgages and fixture lien filings.
8. Schedule of significant fixed assets, owned or used by the Company, including the identification of the person holding title to such assets and any material liens or restrictions on such assets
9. Without duplication from Section D below, or separate intellectual property due diligence checklist, schedule of all intangible assets (including customer lists and goodwill) and proprietary or intellectual properties owned or used in the Company, including a statement as to the entity holding title or right to such assets and any material liens or restrictions on such assets. Include on and off-balance sheet items

#### **C. INTELLECTUAL PROPERTY**

List of all patents, trademarks, tradenames, service marks and copyrights owned or used by the Company, all applications therefor and copies thereof, search reports related thereto and information about any liens or other restrictions and agreements on or related to any of the foregoing (without duplication from attached intellectual property due diligence checklist).

#### **E. REPORTS**

1. Copies of any studies, appraisals, reports, analyses or memoranda within the last [three] years relating to the Company (i.e., competition, products, pricing, technological developments, software developments, etc.).
2. Current descriptions of the Company that may have been prepared for any purpose, including any brochures used in soliciting or advertising.
3. Descriptions of any customer quality awards, plant qualification/certification distinctions, ISO certifications or other awards or certificates viewed by the Company as significant or reflective of superior performance.
4. Copies of any analyst or other market reports concerning the Company known to have been issued within the last [three] years.

Copies of any studies prepared by the Company regarding the Company's insurance currently in effect and self-insurance program (if any), together with information on the claim and loss experience thereunder

#### **F. COMPLIANCE WITH LAWS**



1. Copies of all licenses, permits, certificates, authorizations, registrations, concessions, approvals, exemptions and other operating authorities from all governmental authorities and any applications therefor, and a description of any pending contemplated or threatened changes in the foregoing.
2. A description of any pending or threatened proceedings or investigations before any court or any regulatory authority.
3. Describe any circumstance where the Company has been or may be accused of violating any law or failing to possess any material license, permit or other authorization. List all citations and notices from governmental or regulatory authorities.
4. Schedule of the latest dates of inspection of the Company's facilities by each regulatory authority that has inspected such facilities.
5. Description of the potential effect on the Company of any pending or proposed regulatory changes of which the Company is aware.
6. Copies of any information requests from, correspondence with, reports of or to, filings with or other material information with respect to any regulatory bodies which regulate a material portion of the Company's business. Limit response to the last [five] years unless an older document has a continuing impact on the Company.
7. Copies of all other studies, surveys, memoranda or other data on regulatory compliance including: spill control, environmental clean-up or environmental preventive or remedial matters, employee safety compliance, import or export licenses, common carrier licenses, problems, potential violations, expenditures, etc.
8. State whether any consent is necessary from any governmental authority to embark upon or consummate the proposed transaction.
9. Any correspondence with or complaints from third parties relating to the marketing, sales or promotion practices of the Company.

## **G. LITIGATION**

1. List of all litigation, arbitration and governmental proceedings relating to the Company to which the Company or any of its directors, officers or employees is or has been a party, or which is threatened against any of them, indicating the name of the court, agency or other body before whom pending, date instituted, amount involved, insurance coverage and current status. Also describe any similar matters which were material to the Company and which were adjudicated or settled in the last [ten] years.
2. Information as to any past or present governmental investigation of or proceeding involving the Company or the Company's directors, officers or employees.
3. Copies of all attorneys' responses to audit inquiries.
4. Copies of any consent decrees, orders (including applicable injunctions) or similar documents to which the Company is a party, and a brief description of the circumstances surrounding such document.





5. Copies of all letters of counsel to independent public accountants concerning pending or threatened litigation.
6. Any reports or correspondence related to the infringement by the Company or a third party of intellectual property rights.

## I. SIGNIFICANT CONTRACTS AND COMMITMENTS

1. Contracts relating to any completed (during the past 10 years) or proposed reorganization, acquisition, merger, or purchase or sale of substantial assets (including all agreements relating to the sale, proposed acquisition or disposition of any and all divisions, subsidiaries or businesses) of or with respect to the Company.
2. All joint venture and partnership agreements to which the Company is a party.
3. All material agreements encumbering real or personal property owned by the Company including mortgages, pledges, security agreements or financing statements.
4. Copies of all real property leases relating to the Company (whether the Company is lessor or lessee), and all leasehold title insurance policies (if any).
  
5. Copies of all leases of personal property and fixtures relating to the Company (whether the Company is lessor or lessee), including, without limitation, all equipment rental agreements.
6. Guarantees or similar commitments by or on behalf of the Company, other than endorsements for collection in the ordinary course and consistent with past practice.
7. Indemnification contracts or arrangements insuring or indemnifying any director, officer, employee or agent against any liability incurred in such capacity.
  
8. Loan agreements, notes, industrial revenue bonds, compensating balance arrangements, lines of credit, lease financing arrangements, instalments purchase, etc. relating to the Company or its assets and copies of any security interests or other liens securing such obligations.
9. No-default certificates and similar documents delivered to lenders for the last [five] (or shorter period, if applicable) years evidencing compliance with financing agreements.
10. Documentation used internally for the last [five] years (or shorter time period, if applicable) to monitor compliance with financial covenants contained in financing agreements.
11. Any correspondence or documentation for the last [five] years (or shorter period, if applicable) relating to any defaults or potential defaults under financing agreements.
12. Contracts involving cooperation with other companies or restricting competition.
13. Contracts relating to other material business relationships, including:

a- any current service, operation or maintenance contracts;



- b. any current contracts with customers;
- c. any current contracts for the purchase of fixed assets; and
- d. any franchise, distributor or agency contracts.

14. Without duplicating Section d above or the intellectual property due diligence schedule hereto, contracts involving licensing, know-how or technical assistance arrangements including contracts relating to any patent, trademark, service mark and copyright registrations or other proprietary rights used by the Company and any other agreement under which royalties are to be paid or received.

15. Description of any circumstances under which the Company may be required to repurchase or repossess assets or properties previously sold.

16. Data processing agreements relating to the Company.

17. Copies of any contract by which any broker or finder is entitled to a fee for facilitating the proposed transaction or any other transactions involving the Company or its properties or assets.

18. Management, service or support agreements relating to the Company, or any power of attorney with respect to any material assets or aspects of the Company.

19. List of significant vendor and service providers (if any) who, for whatever reason, expressly decline to do business with the Company.

20. Samples of all forms, including purchase orders, invoices, supply agreements, etc.

21. Any agreements or arrangements relating to any other transactions between the Company and any director, officer, stockholder or affiliate of the Company (collectively, "Related Persons"), including but not limited to:

a. Contracts or understandings between the Company and any Related Person regarding the sharing of assets, liabilities, services, employee benefits, insurance, data processing, third-party consulting, professional services or intellectual property.

b. Contracts or understandings between Related Persons and third parties who supply inventory or services through Related Persons to the Company.

c. Contracts or understandings between the Company and any Related Person that contemplate favourable pricing or terms to such parties.

d. Contracts or understandings between the Company and any Related Person regarding the use of hardware or software.



- e. Contracts or understandings regarding the maintenance of equipment of any Related Person that is either sold, rented, leased or used by the Company.
  - f. Description of the percentage of business done by the Company with Related Persons.
  - g. Covenants not to compete and confidentiality agreements between the Company and a Related Person.
  - h. List of all accounts receivable, loans and other obligations owing to or by the Company from or to a Related Person, together with any agreements relating thereto.
22. Copies of all insurance and indemnity policies and coverages carried by the Company including policies or coverages for products, properties, business risk, casualty and workers compensation. A description of any self-insurance or retro-premium plan or policy, together with the costs thereof for the last [five] years. A summary of all material claims for the last [five] years as well as aggregate claims experience data and studies.
23. List of any other agreements or group of related agreements with the same party or group of affiliated parties continuing over a period of more than six months from the date or dates thereof, not terminable by the Company on 30 days' notice.
24. Copies of all supply agreements relating to the Company and a description of any supply arrangements.
25. Copies of all contracts relating to marketing and advertising.
26. Copies of all construction agreements and performance guarantees.
27. Copies of all secrecy, confidentiality and nondisclosure agreements.
28. Copies of all agreements related to the development or acquisition of technology.
29. Copies of all agreements outside the ordinary course of business.
30. Copies of all warranties offered by the Company with respect to its product or services.
31. List of all major contracts or understandings not otherwise previously disclosed under this section, indicating the material terms and parties.



32. For any contract listed in this Section I, state whether any party is in default or claimed to be in default.

33. For any contract listed in this Section I, state whether the contract requires the consent of any person to assign such contract or collaterally assign such contract to any lender.

NOTE: Remember to include all amendments, schedules, exhibits and side letters. Also include brief description of any oral contract listed in this Section I.

## J. EMPLOYEES, BENEFITS AND CONTRACTS

1. Copies of the Company's employee benefit plans as most recently amended, including all pension, profit sharing, thrift, stock bonus, ESOPs, health and welfare plans (including retiree health), bonus, stock option plans, direct or deferred compensation plans and severance plans, together with the following documents:

- a. all applicable trust agreements for the foregoing plans;
  - b. copies of all IRS determination letter for the foregoing qualified plans;
  - c. latest IRS forms for the foregoing qualified plans, including all annual reports, schedules and attachments;
  - d. latest copies of all summary plan descriptions, including modifications, for the foregoing plans;
  - e. latest actuarial evaluations with respect to the foregoing defined benefit plans; and
  - f. schedule of fund assets and unfunded liabilities under applicable plans.
2. Copies of all employment contracts, consulting agreements, severance agreements, independent contractor agreements, non-disclosure agreements and non-compete agreements relating to any employees of the Company.
3. Copies of any collective bargaining agreements and related plans and trusts relating to the Company (if any). Description of labor disputes relating to the Company within the last [three] years. List of current organizational efforts and projected schedule of future collective bargaining negotiations (if any).
4. Copies of all employee handbooks and policy manuals (including affirmative action plans).



5. Copies of all OSHA examinations, reports or complaints.
6. The results of any formal employee surveys.

#### **K. TAX MATTERS**

1. Copies of returns for the three prior closed tax years and all open tax years for the Company (including all federal and state consolidated returns) together with a work paper therefor wherein each item is detailed and documented that reconciles net income as specified in the applicable financial statement with taxable income for the related period.
2. Audit and revenue agents reports for the Company; audit adjustments proposed by the Internal Revenue Service for any audited tax year of the Company or by any other taxing authority; or protests filed by the Company.
3. Settlement documents and correspondence for last [six] years involving the Company.
4. Agreements waiving statute of limitations or extending time involving the Company.
5. Description of accrued federal, state and local withholding taxes.
6. List of all state, local and foreign jurisdictions in which the Company pays taxes or collects sales taxes from its retail customers (specifying which taxes are paid or collected in each jurisdiction).

#### **L. MISCELLANEOUS**

1. Information regarding any material contingent liabilities and material unasserted claims and information regarding any asserted or unasserted violation of any employee safety and environmental laws and any asserted or unasserted pollution clean-up liability.
2. List of the ten largest customers and suppliers for each product or service of the Company.
3. List of major competitors for each business segment or product line.
4. Any plan or arrangement filed or confirmed under the federal bankruptcy laws, if any.

5. A list of all officers, directors and stockholders of the Company.
6. All annual and interim reports to stockholders and any other communications with security holders.
7. Description of principal banking and credit relationships (excluding payroll matters), including the names of each bank or other financial institution, the nature, limit and current status of any outstanding indebtedness, loan or credit commitment and other financing arrangements.
8. Summary and description of all product, property, business risk, employee health, group life and key-man insurance.
9. Copies of any UCC or other lien, judgment or suit searches or filings related to the Company in relevant states conducted in the past [three] years.
10. Copies of all filings with the Securities and Exchange Commission, foreign security regulators or exchanges.
11. All other information material to the financial condition, businesses, assets, prospects or commercial relations of the Company.

The Manager:

