

LEGAL DUE DILIGENCE CHECKLIST
[INSERT THE NAME OF COMPANY] (the "Company")

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.

If no information or documents exist under a section listed below, please provide a confirmation that such documents and information do not exist and/or the relevant circumstances are not applicable (N/A). **If the same information or document is requested under several sections, please provide it only once and make a cross-reference under other sections.**

If relevant items exist outside the Company (e.g. agreements relevant to the Company's business have been concluded by the founders, founder vehicles 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" includes also any subsidiary.

1. CORPORATE MATTERS

- 1.1. Group corporate structure chart showing all subsidiaries and other entities in which the Company has a shareholding. The chart should include the full business name, registration or business identification number and registered address of each company. For companies incorporated outside Estonia, please provide certificate of incorporation/articles of incorporation (including any amendments), certificate of good standing, charter, articles of association, by-laws or other similar constitutional documents.
- 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.
- 1.4. All minutes of meetings and resolutions of supervisory board, management board and/or board of directors.
- 1.5. Most recent business plan, budget and forecast of the Company.
- 1.6. Most recent offering memorandum, business plan, slide deck introducing the business or similar document of the Company.
- 1.7. Most recent financial statements (annual report) and latest monthly financial statements. Auditors' reports on financial statements.
- 1.8. 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. Letters from lawyers to auditors concerning litigation and other legal proceedings.
- 1.9. Details of any material changes in the Company's business.

2. SHARE CAPITAL AND SHAREHOLDERS

- 2.1. Current list of shareholders (cap table) showing ownership percentages. The list should include any person who owns share(s) as well as any person who has a right to acquire share(s) in the future, including holders of options, warrants, convertible loans or notes or other similar instruments.
- 2.2. If the ultimate parent of the group is an Estonian company, please provide also the list of shareholders from the Estonian Central Register of Securities (*Eesti Väärtpaberite Keskregister*).
- 2.3. All shareholders' agreements i.e. agreements between shareholders or any of them relating to shareholders' preferential rights (including liquidation preferences, dividend preferences), transfers of shares (including transfer restrictions, pre-emptive rights, right of first refusal, tag along rights, co-sale rights, drag-along rights, call and put options etc.), corporate governance (including procedures and agreements relating to voting, adoption of decisions, nomination of board members) and other similar matters.
- 2.4. Overview of financing history (dates, investors, investment amounts, forms of financing: convertible, equity, other).
- 2.5. A summary of the vesting schedules of options or shares subject to vesting.
- 2.6. Agreements, including term sheets, relating to issuance or sale of shares, issuance or grant of options, warrants, convertible loans or convertible notes or any other instruments convertible or exchangeable for shares.
- 2.7. Agreements relating to pledges and other security interests and encumbrances on any shares.
- 2.8. 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. Guarantees (Est. *garantii*), suretyships (Est. *käendused*) and other similar security arrangements issued by the Company to secure the obligations of any third party.
- 3.4. Overview of pledges and other collateral or security arrangements encumbering the property of the Company together with copies of relevant agreements.
- 3.5. Overview of pledges, guarantees, suretyships and other collateral or security arrangements given by any shareholder or

third party to secure the obligations of the Company together with copies of relevant agreements.

- 3.6 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 Company¹ 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 Company², their share in turnover and copies of agreements with them.
- 4.3. Agency, marketing, resale, distribution and franchise agreements.
- 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 CONSULTANTS

- 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:
- (i) name and date of birth;
 - (ii) date of commencement of present employment or service;
 - (iii) job title and place of employment;
 - (iv) annual basic salary and bonus schemes;
 - (v) benefits, including reimbursable expenses, car allowances, paid time off;
 - (vi) whether an employee is full or part time, temporary or otherwise atypical;
 - (vii) participation in incentive schemes.
- 5.2. Employment agreements, board member agreements and any other agreements or proposed transactions with employees, management or supervisory board members or other officers.
- 5.3. Employee benefit, incentive and motivation plans and schemes.
- 5.4. Agreements with self-employed consultants, advisors and other contractors.
- 5.5. Agreements with entities which are solely controlled by one private individual.

6. INTELLECTUAL PROPERTY, IT AND DATA PROCESSING

- 6.1. Overview of intellectual property owned or used by the Company (the "Intellectual Property") including:
- (i) copyrights;
 - (ii) software;
 - (iii) databases;
 - (iv) Patent applications and patents;
 - (v) domain names;
 - (vi) Registered and unregistered trademarks (word marks, figurative marks i.e. logos);
 - (vii) other intellectual property.
- 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 software development, please include relevant information in the description.
- 6.2. Results of internal and external audits, reviews and researches related to Intellectual Property (incl. freedom to operate opinions) and personal data processing.
- 6.3. Agreements with past or present employees and service providers relating to the ownership and/or assignment of Intellectual Property.
- 6.4. List of employees or service providers who have been involved in the creation of Intellectual Property, but who have not signed any agreement relating to the ownership or assignment of Intellectual Property.
- 6.5. Details of claims made by any employee, consultant, contractor or other third party over the Intellectual Property.
- 6.6. 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.
- 6.7. Confidentiality and non-disclosure agreements.
- 6.8. Details of all material IT equipment owned or used by the Company

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.

- 6.9. Agreements relating to IT, including maintenance and support agreements.
- 6.10. 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.
- 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:
- 7.2.1. any current or past shareholder, board member, other officer or director or employee (other than employment agreements);
- 7.2.2. any person or entity related to or connected with any person set out in Section 6.2.1.
- 7.3. Partnership, joint venture, profit sharing agreements and similar agreements.
- 7.4. Agreements or arrangements with competitors (whether or not written and whether or not intended to be legally enforceable).
- 7.5. Other material agreements. "Material agreement" means any agreement which:
- (i) has the aggregate value, outstanding commitment or expenditure of € [insert] or more;
- (ii) cannot be terminated on less than three months' notice without compensation;
- (iii) restricts in any way the Company to conduct its business in the future as it sees fit;
- (iv) provides for any exclusivity to any person;
- (v) is unusual, outside the ordinary course of business or not on arms' length terms; or
- (vi) is otherwise material in the context of the Company's business.
- 7.6. Overview of insurance agreements. Details of any current or potential material claims under the insurance policies.
- 7.7. Real property lease agreements.
- 7.8. Details of, and copies of any documents related to breaches of any agreement to which the Company is a party (irrespective of whether the Company or a third party is in breach).
- 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.
- 8.2. 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.
- 8.3. List and description of any disputes, out of court proceedings and civil court, criminal court, administrative court or arbitration proceedings in which the Company is or has been involved. Copies of all relevant claims, decisions, judgements etc. in any such litigation or proceedings.
- 8.4. 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.
- 8.5. Full details of any circumstances which may reasonably lead to any dispute, proceeding, investigation, inspection or enquiry referred to in Section 7.3 or 7.4.
- 9. TAX MATTERS**
- 9.1. Confirmation by the Company that it has in due form and by due date submitted all and any declarations, reports and other documents required under applicable tax laws or by tax authorities and that it has duly paid all taxes.
- 10. OTHER RELEVANT INFORMATION AND DOCUMENTS**
- 10.1. 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.
- 10.2. Summary of the terms of all verbal agreements, transactions, commitments or understandings which would qualify under any of the sections 1-9 above.
- 10.3. Information on agreements and transactions in the process of negotiations that once signed, would qualify under any of the sections 1-9 above.