



**Chelsea
Corporate**



TOP SECRET CHEAT SHEET

The seller and target company

Does each seller have the authority and capacity to sell the target company in the manner proposed? If the seller is a company, do its articles of association have any limitations or other restrictions on a disposal of the target shares? Is there a shareholders' agreement in place relating to the target company and if so, does it include any requirement for shareholder consent for the proposed transaction?

Corporate and commercial agreements

Are there any joint venture arrangements or share or asset purchase agreements to which the target company is party? What contracts or arrangements are material to the target company's business? What are the target company's standard terms and conditions of sale or purchase? Who are the major customers and what is the value of their aggregate sales made in the last year?

Business assets (excluding real estate)

Is the plant, machinery and equipment owned, leased or on hire purchase? Has an inventory been carried out or are stock lists and work-in-progress schedules available? Are any motor vehicles owned or hired by the target company?

Intellectual property

What logos, trading names, domain names, trade marks, patents or other intellectual property does the target company use or own? Is any of the intellectual property licensed to or from the target company?

Computer system and data

Does the target company own the copyright to any of the software that it uses? Who wrote it? Were they employed or consultants? Does any element of the Computer System incorporate any open-source software? Has the target company complied with data protection legislation?

Real estate

What properties does the target company own or occupy and what are their current uses? Are there any disputes affecting the properties? How relevant are the properties to the value of the target company?

Insurance

What insurance arrangements (such as property, premises, professional indemnity, directors' and officers', product liability and product recall) does the target company have and have there been any recent claims?

Consents and compliance

Are any consents or licences required to enable the target company to carry on its business?

Litigation and disputes

Are there any existing or threatened proceedings against the target company? Are there any disputes or complaints likely to lead to a claim?

Employees

Who are the key workers? What are the terms of employment for current employees along with any benefits? Are there any persons who work for the target company but are not employed or engaged by it?



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