

REQUEST FOR DOCUMENTS (Share Purchase)

WITHOUT PREJUDICE

..... (city),, 20...

(Name of corporation)

c/o (recipient)

(address)

(city), (province)

(postal code)

Re: Due Diligence

Dear Sir or Madam:

As indicated in (identify applicable clause) of the Letter of Intent (template Y04.200), [**OR** Offer to Purchase (short form template Y04.250 **OR** long form template Y04.275)] submitted on, 20... and duly accepted by you on, 20..., our client, (identify prospective purchaser), must conduct a due diligence review of your corporation.

As we have been instructed to coordinate the due diligence review, [...]



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DOCUMENTS REQUIRED FOR DUE DILIGENCE REVIEW OF A CORPORATION:

1.00 CONCERNING THE SELLER

1.01 Individual

- a) civil status, citizenship, residence;
- b) marital status.

2.00 CONCERNING THE CORPORATION, ITS SUBSIDIARIES AND AFFILIATES

2.01 The books of the corporation (including the book(s) of any predecessor corporation(s)) containing the following documents:

- a) the governing documents of the corporation, including the letters patent, supplementary letters patent and all certificates of continuance, restated certificates, certificates of incorporation, certificates of amalgamation and certificates of amendment;
- b) the by-laws of the corporation;
- c) all minutes of meetings of shareholders, Board of Directors, Executive Committee and any other committee appointed by the Board of Directors or written resolutions in lieu of such meetings;
- d) registers of shareholders, directors, securities and transfers;
- e) a copy of the Registration Declaration and annual declarations.

2.02 A list of the Canadian provinces and foreign countries where the corporation is entitled to do business, including the contact information of the legal agents of the corporation in such provinces and countries.

2.03 A list of the states and foreign countries where the corporation is not entitled to do business and does not file income tax returns but where it has an office, an inventory or employees or where it is represented by a legal agent who is a resident or who solicits business in such states and countries.

REQUEST FOR DOCUMENTS

(Share Purchase)

- 2.04** A list of the names under which the corporation or any predecessor corporation has been doing business since its inception, including all assumed names used in connection with its activities.
- 2.05** Any other identifying information respecting all required approvals and consents to the sale of shares of the corporation.

3.00 PARTNERSHIP INTERESTS

All partnership, limited partnership, joint venture or similar agreements to which the corporation is a party.

4.00 SHAREHOLDERS

A copy of any unanimous shareholder agreement, declaration by single shareholder, agreement of purchase and sale or any other agreement respecting voting rights or that includes restrictions on the transfer of shares of the corporation.

5.00 HUMAN RESOURCES

- 5.01** Provide an organizational chart of the corporation and any job description of the various positions occupied by its employees.
 - 5.02** A complete and updated list of all persons employed by the corporation (either active or inactive) according to place of business, including their titles or functions, their union affiliation, if applicable, date of hiring, years of service, amount of compensation on an annual and weekly basis, benefits in the form of vacation leave or absence due to illness (if payable in cash upon termination of employment), benefits or severance pay and other pertinent information (vacation leave, unused leave, etc.).
 - 5.03** A copy of all employee benefit plans under which the corporation is bound toward an employee or group of employees and a copy of all the employee profit-sharing plans currently in force, for the benefit of one or more employees of the corporation.
 - 5.04** Copies of any other documents related to benefit plans, including (i) in respect of each plan, all modifications, trust agreements or other financing agreements, including all insurance policies and riders attached thereto; (ii) actuarial valuations; (iii) all important communications regarding such plans; and (iv) the most recent summary description of such plans and of all important amendments made thereto.
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- 5.05** A list and a copy of all employment agreements entered into with the employees and executives.
- 5.06** A description of the employment conditions for the executives and directors of the corporation (bonuses, commissions, incentives, supply of a vehicle, profit-sharing plans, employee share ownership or stock option plans, RRSP or pension plan contributions, etc.).
- 5.07** Any information related to labour conflicts that have occurred since incorporation that could have had an adverse effect on the corporation, including all pending claims or grievances.
- 5.08** A copy of and details concerning arbitration proceedings related to conditions of employment since incorporation and a copy of any such pending proceedings involving the corporation.
- 5.09** A list of all actions, claims, administrative proceedings or pending or threatened investigations affecting or related to the employees of the corporation and a copy of all relevant documents.
- 5.10** Any information related to known conflicts of interests with any past or present director, officer, employee or shareholder of the corporation and with any actual or potential competitor, client or supplier of the corporation.
- 5.11** A list of any actual or apprehended strike, work slowdown or other work stoppage.
- 5.12** A copy of all staff policies and of the registers of procedures and work application forms. Also provide a copy of the policies of the corporation on employee grievances and termination of employment, extended leave, vacation and severance (including a description of such policies when the corporation does not maintain written policies). Provide a copy of the list of grievances or a summary of the grievances filed against the corporation since its inception. Prepare a list of any pending matter that could adversely affect the business of the corporation.
- 5.13** A list and copy of the relevant documents concerning any back wages or any taxes or penalties that result from a failure to comply with any labour law.
- 5.14** A copy of all the confidentiality, non-competition and/or non-solicitation agreements signed by current or past employees of the corporation.
- 5.15** A copy of all compensation or similar agreements related to any current or past officers or directors of the corporation.
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