

BUSINESS ACQUISITION CHECKLIST



- 1. Description of the Business Purchased**
 - Shares or assets?
 - Real Estate? Own/Lease?
 - Equipment? Own/Lease
 - Customer List
 - Supply Contracts
 - Accounts Receivable
 - Intellectual Property?
 - Subsidiary Corporations?
 - Jurisdiction of Subsidiaries?
 - Share structure of existing entity

- 2. What Financial Statements being relied upon for valuation and due diligence review?**
- 3. Purchase Price or formula?**
- 4. How is Purchase Price allocated, eg. Good will, tangible assets etc.**
- 5. Payment of Purchase Price? Cash? Exchange of shares? Earn out Schedule?**
- 6. Purchase Price Adjustments?**
- 7. What Financial obligations/charges of the Company being assumed?**
- 8. What permits, licenses etc. required to operate the business?**
- 9. What material contracts exist — any restrictions on change of ownership?**
- 10. Any excluded Assets?**
- 11. What Employee obligations being assumed?**
- 12. Any Unionized employees?**
- 13. List of Excluded Employees?**
- 14. Any Environmental issues?**
- 15. Compliance with Workplace Health and Safety Requirements?**

- 16. Any tax liability — income or realty?
- 17. Assignment of all leases, contracts, accounts receivable etc.?
- 18. If purchase of Assets, is this substantially all of the assets of the Vendor?
- 19. Non-compete/Non-Solicitation for post closing
- 20. Reps and Warranties
 - Ownership of assets
 - No secured or unsecured creditors/liens
 - Payment of GST, PST etc.
 - Leases, Prepaid Expenses
 - Environmental matters
 - Direct Claims
 - Third Party Claims
- 21. Consulting Services Agreement?
- 22. If entering partnership for part of the business, Shareholder/Partnership agreement?
- 23. Negotiations with other parties suspended while transaction pending?
- 24. Closing Date?
- 25. Post Closing Adjustments?