  
DUE DILIGENCE CHECKLIST

**INFORMATION REQUEST FOR LEGAL REVIEW**

The following is the information that we require for the conduct of a high-level legal review of matters pertaining to the Project/ Engagement/ Collaboration/ Agreement.

Further questions may be raised following a review of the documents and information received in response to this document.

**PART A**

**FOR INTERNAL STRATHMORE UNIVERISTY USE ONLY**

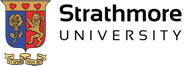
1. **Identity of the Company/Entity**

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| --- | --- | --- |
|  | *Checklist* | *Choose an item( Yes, No, Available, Not Available, Attach, State/provide* |
| 1.1 | Are the values of the Company in line with Strathmore University’s values, vision and mission? |  |
| 1.2 | Has the company ever been employed by or engaged in any other capacity by Strathmore University? If so, please give details. |  |
| 1.3 | Does the company have the required skills, expertise, and experience for this engagement? |  |
| 1.5 | Identify the specific qualifications, certifications, or industry knowledge that the company has that are essential for the project. |  |
| 1.6 | Are the financial and payment terms reasonable and within SU’s budget? |  |
| 1.7 | Does the company have any history of legal issues, professional misconduct or conflicts of interest? If so give provide details. |  |
| 1.8 | Does the company have any political connections that could potentially create any issues e.g. conflict of interest or reputational damage to the University? |  |
| 1.9 | Are there any potential risks or challenges that may impact the company’s implementation of the project? |  |
| 1.10 | What are the intellectual property rights and ownership implications arising from this engagement? |  |
| 1.10 | Is there any Director, CEO or other top officials that has ever been employed by or been engaged in any other capacity by Strathmore University? If so, please disclose details. |  |
| 1.11 | Are the values of the Directors, CEO, beneficial owners and other top management officials in line with Strathmore University’s values and mission? |  |

**Authorisation**

I hereby declare and certify the above information is true and correct to the best of my knowledge

|  |  |
| --- | --- |
| Name and Designation |  |
| Signature |  |
| Date |  |



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**PART B**

**TO BE COMPLETED BY THE INTENDED CONTRACTING PARTY**

|  |  |  |
| --- | --- | --- |
|  | *Checklist* | *Choose an item( Yes, No, Available, Not Available, Attach, State/provide* |
| 1.1 | Official name, and legal status together with certified copies of the Company’s Certificate of Incorporation/ Registration Certificate. |  |
| 1.2 | Physical and postal address of the Entity/Company. |  |
| 1.3 | Copies of the Company’s Memorandum and Articles of Association or other relevant registration documents, |  |
| 1.4 | Details of all subsidiaries (including any associated companies) of the Company, including name, country of incorporation/registration, place of business, nature of business, and the extent of the Company’s shareholding therein. |  |
| 1.5 | Details of the owners and/or shareholders of the Company/entity and the latest CR12 document if applicable. |  |
| 1.6 | What is the main mandate/role of the entity/company as per the Memorandum and Articles of Association |  |
| 1.7 | State all jurisdictions where the company is authorized to conduct business i.e. Where the company owns/leases property, maintains employees, and/or conducts business, and include applicable details like the occupancy rate and number of workstations |  |
| 1.8 | Any documents relating to the reincorporation or restructuring of the entity if any |  |
| 1.9 | Details of any persons who have authority to bind the Company (including pursuant to any powers of attorney) in any matter whatsoever and the nature and extent of such authority. |  |
| 1.10 | Is there any Director, CEO or other top officials that has ever been employed by or been engaged in any other capacity by Strathmore University? If so, please enclose details. |  |

1. **Contracts**

|  |  |  |
| --- | --- | --- |
| 2.1 | Copies of any agreements relating to:   * loan, credit and security arrangements; * loan facilities agreements; * debentures; * letters of credit; and * swaps and options   which may likely restrict the Company from creating additional debt |  |
| 2.2 | Details together with copies of contracts or arrangements which:   1. are unduly onerous (e.g., as to payment terms, default provisions, reporting requirements or notice periods) or of a material long-term (i.e., last for more than one year); 2. restrict the freedom of the Company to carry on its business in such manner as it may think fit, or restrict the ability of the Company to transfer the whole or part of its business; and 3. are material capital commitments (i.e., any commitment to make a capital payment). |  |
| 2.3 | Details of any material contingent liabilities arising under any contract or arrangement. |  |
| 2.4 | 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. |  |
| 2.5 | Data processing agreements relating to the Company. |  |
| 2.6 | 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. |  |

1. **Board and management of the company**

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| --- | --- | --- |
| 3.1 | Details of any material contingent liabilities arising under any contract or arrangement. |  |
| 3.2 | Are there any directors of the Company who have been declared bankrupt or has been a director, officer, or shareholder of an insolvent company? |  |
| 3.3 | Details of any claim, investigations, or proceedings of any nature against any of the directors of the Company, which may result in such a director being found unfit to act as a director of the Company, whether under the Company’s articles of association any shareholders’ agreement, the Capital Markets Act and regulations, the Companies Act or otherwise. |  |
| 3.4 | Details of any changes in the senior management of the Company over the past six months and provide in as much detail the impact this change has had on the business of the Company. |  |
| 3.5 | Details of any persons who have authority to bind the Company (including pursuant to any powers of attorney) in any matter whatsoever and the nature and extent of such authority. |  |

1. **Political Exposure of the company**

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| --- | --- | --- |
| 4.1 | Does any Public Official or government entity have any financial, management or controlling interest in your organisation/company? If so, provide details and level of interest below. |  |
| 4.2 | Are any key employees/ senior management/ shareholder/ partner member of the organization/company a Public Official or related to a public official? |  |
| 4.3 | Does the organization/company frequently interact with government officials, government agencies or government-controlled entities? |  |
| 4.4 | Are any of the Directors/senior management of the organization/company representatives of political parties or political organizations or closely connected to political organization? |  |
| 4.5 | Does any key employee or senior management member of the organization/company provide financial or any other benefits to a Public Official or a member of a Public Official’s family? |  |

1. **Litigation**

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| --- | --- | --- |
| 5.1 | Details of any completed or ongoing material litigation, mediation or arbitration or any other disputes with third parties including the Kenya Revenue Authority, trade unions and employees in which the Company is involved, which may lead to material litigation, arbitration, mediation or other dispute resolution procedures. |  |
| 5.2 | Details of any unfulfilled judgements, decrees, awards or other orders of any court, tribunal, quasi-judicial or governmental bodies in any proceedings in which the Company was a party |  |
| 5.3 | Details of any current or pending investigation by any competent authority or any notifications or request from any regulatory or governmental agency affecting the Company. |  |
| 5.4 | Copies of any notices received by the Company from any government authority relating to allegations of non-compliance with any rules, regulations or laws applicable to the Company. |  |
| 5.5 | Are any of the company's directors/ senior management part of any completed or ongoing material litigation, mediation or arbitration or any other disputes with third parties including the Kenya Revenue Authority, trade unions and employees in which the Company is involved, which may lead to material litigation, arbitration, mediation or other dispute resolution procedures. |  |
| 5.6 | Copies of any material actions or threatened actions (for or involving breaches or alleged breaches of rules, regulations, codes or conduct or negligent conduct) by clients, customers or borrowers, including litigation, interlocutory proceedings or arbitration. |  |
| 5.7 | Copies of any governmental licenses, permits or consents. |  |
| 5.8 | Copy of the company’s compliance policy and written standards of conduct. |  |

1. **Borrowings**

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| --- | --- | --- |
| 6.1 | Has the Company entered into any material debt factoring or similar arrangements? |  |
| 6.2 | Describe any other material contingent liabilities, off-balance sheet commitments, or other material borrowings of the Company. |  |
| 6.3 | Provide a Schedule of borrowings (secured and unsecured) segregated into short-term and long-term debt indicating lender, limit, drawdown to date, repayment terms, interest rates, security etc. Details of default in repayment of loans and interest, if any |  |
| 6.4 | Provide Repayment schedules, as currently applicable for each of the loan accounts indicating principal and interest details. |  |
| 6.5 | Provide a Computation of provision for interest for outstanding loans as of [date] |  |

1. **Financial and tax**

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| --- | --- | --- |
| 7.1 | Copies of the audited accounts of the Company for the last three financial years. |  |
| 7.2 | Copy of all recent Kenya Revenue Authority tax clearance certificates. |  |
| 7.3 | Provide Settlement documents and correspondence for the last six years involving the Company. |  |
| 7.4 | List of all national, county, and foreign jurisdictions in which the Company pays taxes or collects sales/income taxes from its customers (specifying which taxes are paid or collected in each jurisdiction). |  |
| 7.5 | What are the future financial projections of the company? |  |
| 7.6 | Copies of any debt financing documents (i.e. loan agreements, credit agreements, promissory notes, compliance certificates, etc.) |  |
| 7.7 | Copies of any equity financing documents (i.e. stock purchase agreements, subscription agreements, etc.). |  |
| 7.8 | List of internal control procedures and Schedule of any deferred revenue. |  |

1. **Consents and licenses**

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| --- | --- | --- |
| 8.1 | Copies of all registrations, approvals, licences, consents, permits and exemptions (together, for the purposes of this checklist, "consents") at any time required with respect to the business carried on by the Company and its operating subsidiaries and confirmation that all fees due in relation to such consents have been paid and any conditions thereof, complied with. |  |
| 8.2 | Details with regard to any threat to remove any consent, attach a new condition to any consent or suspend any consent by any of the relevant respective parties. |  |

1. **Intellectual Property**

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| --- | --- | --- |
| 9.1 | List of all patents issued, applied for, and in preparation, along with invention disclosures for the Company and all entities previously acquired by the Company |  |
| 9.2 | Obtain a warranty that the patent assets have been maintained through payment of annuity or maintenance fees. |  |
| 9.3 | Obtain disclosure of all infringement proceedings, oppositions, re-examinations, or re-issues of the patents or any other challenges to their validity or enforceability |  |
| 9.4 | Obtain copies of any communications related to the validity of a claim that the subject matter constitutes legally protectable trade secrets and copies of all Confidentiality and Trade Secret (know-how) agreements currently enforceable by or against the Company |  |
| 9.5 | Obtain a list and copy of all Joint Venture (JV) and/or Joint Development (JD) agreements which include a transfer or sharing of intellectual property rights between the Company and another party to the JV or JD agreement |  |
| 9.6 | Describe any past litigation or settlements related to the transferred property and the assignability of any settlement. |  |
| 9.7 | Obtain a disclosure of transfer and IP created by consultants and determined their ownership status or rights to the technology, as well as any outstanding payments which may be required under an agreement or national laws. |  |

1. **Environmental, Health and Safety**

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| --- | --- | --- |
| 10.1 | Information regarding any material contingent liabilities and material un-asserted claims and information regarding any asserted or un-asserted violation of any employee safety and environmental laws and any asserted or un-asserted pollution clean-up liability. |  |
| 10.2 | All permits and records relating to environmental matters such as underground storage tanks, air quality, water use, solid/liquid wastes and hazardous waste storage or disposal. |  |
| 10.3 | What environmental regulations apply to the company's business, and how is the company ensuring compliance? |  |
| 10.4 | Does the company have any insurance coverage for environmental, health and safety risks? |  |
| 10.5 | What environmental management systems and procedures does the company have in place, such as waste management or pollution prevention? |  |

1. **Information and Technology**

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| --- | --- | --- |
| 11.1 | What is the company's IT infrastructure, and what is the age and condition of its hardware and software? |  |
| 11.2 | Which security measures does the company have in place to protect its IT systems and data? |  |
| 11.3 | What is the company's disaster recovery and business continuity plan, and has it been tested? |  |
| 11.4 | What is the company's policy on data privacy and protection, and how is it being implemented? |  |
| 11.5 | What is the company's policy on information security, and how does it align with industry best practices? |  |
| 11.5 | What environmental management systems and procedures does the company have in place, such as waste management or pollution prevention? |  |

1. **Authorisation**

I hereby declare that I am a duly authorised signatory of the company and certify the above information is true and correct to the best of my knowledge

|  |  |
| --- | --- |
| Name |  |
| Position in Company |  |
| Signature |  |
| Date |  |