

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 Grant or Sub Grant agreement.

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

**PART A**

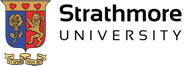
**FOR STRATHMORE UNIVERSITY USE ONLY**

|  |  |  |
| --- | --- | --- |
|  | *Checklist* | *Choose an item( Yes, No, Available, Not Available, Attach, State/provide* |
| 1.1 | Are the organisation's values, purpose, mission and vision aligned with those of Strathmore? |  |
| 1.2 | Are the values of the Directors, CEO, beneficial owners and other top management officials in line with Strathmore’s values and mission? |  |
| 1.3 | Is there any Director, CEO or other top officials that have ever been employed by or been engaged in any other capacity by Strathmore? If so, please provide details. |  |
| 1.4 | What is the grant's purpose, objectives, and expected outcomes? |  |
| 1.5 | What are the grant amount, duration, reporting requirements, and any restrictions? |  |
| 1.6 | Clarify the grantor's expectations regarding project milestones, deliverables, and performance measures. |  |
| 1.7 | Clarify the grantor's involvement and support during the grant period. |  |
| 1.8 | What are the grant's budget requirements and do they align with your organization's financial capabilities? |  |
| 1.9 | Are there any co-funding or matching requirements and can Strathmore fulfil them? |  |
| 1.10 | What is the feasibility of the proposed project or initiative in achieving the grant's objectives? |  |
| 1.11 | Does Strathmore have the capacity and capability to execute the project successfully? |  |
| 1.12 | What is the potential impact of the project and its alignment with Strathmore’s mission and long-term goals? |  |
| 1.13 | What is the sustainability of the project beyond the grant period, including its financial viability and scalability? |  |
| 1.14 | What are the sub-grantee's mission, expertise, and specific project goals? |  |
| 1.15 | Does the sub-grantee’s approach, values, and methodologies align with the project's intended outcomes? |  |
| 1.16 | Details of the grantor's reputation, credibility, and financial stability. |  |
| 1.17 | Details of previous grant recipients and assess their experiences. Including whether Strathmore has previously received a grant from the organisation and assess the experience. |  |
| 1.18 | What are the grant guidelines and eligibility criteria and does Strathmore meet these requirements? |  |
| 1.19 | Does the grant award have requirements or conditions that are likely to erode Strathmore’s values or cause Strathmore to be in violation of any laws? |  |
| 1.20 | Are there any potential risks, challenges, or dependencies that may impact project implementation? |  |
| 1.21 | Are there any reputational, operational, legal, or compliance risks associated with the project or funding source? |  |
| 1.22 | What are the financial stability, reputation, legal compliance, and any potential conflicts of interest of the sub-grantee |  |
| 1.23 | What is the sub-grantees capacity to implement effective monitoring and evaluation systems to track project progress and outcomes? |  |
| 1.24 | Does the sub-grantee have internal controls and processes in place to ensure accountability and transparency? |  |
| 1.25 | Can Strathmore provide the necessary data and metrics to measure project outcomes? |  |

**Authorization**

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

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



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**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 Grant or Sub Grant Agreement.

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

**PART B:**

**TO BE COMPLETED BY THE OTHER PARTY**

Please complete **ALL APPLICABLE** sections of this form as appropriate.

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

|  |  |  |
| --- | --- | --- |
|  | *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 or other relevant registration documents including registration with the NGO’s Coordination Board if it’s a Kenyan entity or any other regulatory body. |  |
| 1.2 | Physical and postal address of the Organisation. |  |
| 1.3 | Details of all subsidiaries (including any associated companies), including name, country of incorporation/registration, place of business, nature of business, and the extent of the organisation’s shareholding therein. |  |
| 1.4 | Details of the owners and/or shareholders of the organisation and the latest CR12 document if applicable. |  |
| 1.6 | What is the main mandate/role of the organisation as per the Memorandum and Articles of Association or other relevant governing documents. |  |
| 1.7 | State all jurisdictions where the organisation 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 | Documents relating to the reincorporation or restructuring of the entity if any |  |
| 1.9 | Details of any persons who have authority to bind the organisation (including pursuant to any powers of attorney) in any matter whatsoever and the nature and extent of such authority. |  |
| 1.10 | Provide brochures, reports or other materials describing the organisation and its activities. (Please list any commercial or political activities carried out, if applicable) |  |
| 1.11 | Applicable Governance policies, including code of conduct/ethics, conflict of interest, and anti-bribery policies |  |
| 1.12 | Describe the organisation’s risk framework and risk policy |  |
| 1.13 | Risk assessment procedures carried out for the proposed grant activities. |  |
| 1.17 | Does the grantor meet all legal and regulatory requirements to be eligible for issuing a grant? |  |
| 1.18 | What are the criteria for selecting sub-grantees based on project requirements, eligibility, and specific evaluation factors. |  |
| 1.19 | Provide detailed information from potential sub-grantees, such as organizational background, mission, experience, and expertise |  |
| 1.20 | Details of the sub-grantee's track record of similar projects or grant |  |

1. **Contracts**

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| --- | --- | --- |
| 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. |  |
| 2.7 | The extent and adequacy of safeguards in place and their effectiveness in the implementation of preventing money laundering or terrorism financing. |  |

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 or top management officials who have been declared bankrupt or has been a director, officer, or shareholder of an insolvent company? |  |
| 3.3 | Details of any claims, 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. |  |
| 3.6 | A list of the Board members to ensure conflicts of interest do not exist and to establish the governance responsibilities. |  |
| 3.7 | Detailed organizational capacity of potential sub-grantees, including governance structure, management systems, staff qualifications, and infrastructure. |  |

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 tax authorities , 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 tax authorities, 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 organisation 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 organisation. |  |
| 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 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. |  |
| 7.9 | Any financial strategy that the grantor has set forth for its fiscal year and future. |  |
| 7.10 | What are the grant's financial reporting and auditing requirements? |  |
| 7.11 | What is the sub-grantee's proposed budget and is it aligned with the project activities? |  |
| 7.12 | What is the sub-grantees capacity and willingness to provide regular reports on project progress, financials, and outcomes? |  |

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. |  |
| 9.8 | What are the intellectual property rights and ownership implications related to the grant-funded activities? |  |

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 |  |