

## Legal Due Diligence Request List for Buying a Business (not shares)

*Note: Accounting and tax issues are not covered by this request list and will need separate advice from your accounting and tax advisors.*

### Definitions:

In this legal request list the “Vendor” refers to [*insert full legal name of seller*].

### Legal Request

Please provide a response to all questions set out in this legal request list and all documents that relate to that question. If the question is not relevant or there are no relevant documents or if the document has already been provided, please provide this as an answer (whichever is applicable).

Information requested		Information provided / response or comments (made by or on behalf of the Vendor)
<b>1.</b>	<b>Assets and Liabilities</b>	
1.1	<b>Plant and equipment</b>	
(a)	Provide a schedule of all plant, equipment and machinery owned or used by the Vendor distinguishing between that owned absolutely and that on hire-purchase, credit sale, lease or other arrangements.	
(b)	Identify any assets used by the Vendor which are shared with other business divisions of the Vendor.	
1.2	<b>Charges</b>	
(a)	Provide details of any encumbrances, security interests, liens, charges or mortgages over the assets of the Vendor.	
1.3	<b>Leased assets</b>	
(a)	Provide details of all assets leased by the Vendor.	
(b)	Provide details of any assets which are leased/licensed to any third party.	
<b>2.</b>	<b>Properties</b>	
2.1	<b>General</b>	

Information requested		Information provided / response or comments (made by or on behalf of the Vendor)
(a)	Provide a summary of all real property owned, leased or otherwise used or occupied (in whole or in part) by the Vendor.	
2.2	<b>Leases</b>	
(a)	Provide copies of all lease, sub-lease or licence documents, including any variation, renewal, rent review or other relevant documents.	
(b)	Identify and describe any breaches of leases or other arrangements or disputes with any landlord which have arisen in the last three years.	
2.3	<b>Property issues</b>	
(a)	Provide details of any requisitions or other notices received from any local governmental or other relevant authority in respect of any owned or leased properties which remain outstanding.	
(b)	Provide details of any failure to comply with any agreement or condition affecting owned or leased properties including restrictions imposed by building codes, zoning laws and other laws on the use of such land.	
(c)	For all buildings owned or leased, provide copies of:	
	<ul style="list-style-type: none"> <li>▪ code compliance certificates, certificates of acceptances, warrants or statements of fitness and certificates for public use (as appropriate); and</li> </ul>	
	<ul style="list-style-type: none"> <li>▪ any earthquake assessments; and</li> </ul>	
	<ul style="list-style-type: none"> <li>▪ details of any notice received in relation to any defects which would require material expenditure.</li> </ul>	
<b>3.</b>	<b>Material Contracts</b>	
3.1	<b>Material contracts</b>	
	Provide copies of all material contracts (other than those noted and provided for in response to other questions in this legal request list) including:	
(a)	key customer contracts (including any standard terms and conditions);	
(b)	key supply contracts;	

Information requested		Information provided / response or comments (made by or on behalf of the Vendor)
(c)	service and lease agreements;	
(d)	finance or operating leases and hire purchase agreements in relation to assets;	
(e)	plant and equipment engineering, support or maintenance agreements;	
(f)	independent contractor agreements;	
(g)	A list and terms of any outstanding orders.	
3.2	<b>Not in the ordinary course of business or unwritten</b>	
(a)	Provide details of any contract that is not within the ordinary course of business and/or is not on arm's length terms.	
(b)	Provide details of any other material relationships or arrangements that are not documented in a written contract.	
(c)	Provide copies of all partnership and joint venture agreements which relate to the Vendor.	
(d)	Provide all documents relating to any acquisitions or dispositions by the Vendor of any business completed in the past 3 years.	
3.3	<b>Intercompany and related party arrangements/ shared contracts</b>	
(a)	Provide details of any related party arrangements	
(b)	Provide details of any contracts that are shared with other business divisions of the vendor and which will need to be separated as part of the transaction e.g. IT systems contracts, property leases etc.	
3.4	<b>Breaches and disputes relating to contracts</b>	
(a)	Please provide details of any contractual breaches or disputes or any circumstances that could give rise to such breaches or disputes.	

Information requested		Information provided / response or comments (made by or on behalf of the Vendor)
<b>4.</b>	<b>Employment and Health and Safety</b>	
4.1	<b>Employment agreements and policies</b>	
(a)	Provide a list of all employees for the Vendor indicating the person's name, start date, position and principal terms of employment.	
(b)	Provide copies of:	
	▪ individual employment agreements;	
	▪ any collective employment agreements relating to employees; and	
	▪ any other agreements with employees.	
(c)	Provide details of any breaches of obligations under any employment agreement.	
(d)	Provide copies of all HR related policies	
(e)	Identify any key employees	
4.2	<b>Industrial relations and union matters</b>	
(a)	Advise if employees are union members, and which unions they belong to (specifying how many employees are members of each of the different unions).	
(b)	Advise whether there have been any strikes or industrial action over the past five years.	
(c)	Provide details of unresolved employment dispute cases.	
4.3	<b>Other benefits</b>	
(a)	Provide details of any other significant employee benefits such as profit sharing schemes, bonus schemes, group life insurance, medical insurance, use of motor vehicles, special redundancy or enhanced termination payment arrangements.	
(b)	Provide details of any allowance, annuity, benefit, lump sum pension or other payment in respect of death, disability, retirement, resignation or dismissal or any employee.	
4.5	<b>Health and safety</b>	

Information requested		Information provided / response or comments (made by or on behalf of the Vendor)
(a)	Provide details of any current or pending investigation or prosecution in relation to any workplace accident.	
(b)	Provide details of any prosecutions or claims that have been made against the Vendor in the last five years in respect of any workplace accident or serious harm incident.	
(c)	Provide copies and details of:	
	<ul style="list-style-type: none"> <li>all policies, practices and written procedures adopted to manage health and safety in the workplace;</li> </ul>	
	<ul style="list-style-type: none"> <li>all permits, licences, registrations and approvals held in relation to health and safety or required by applicable laws;</li> </ul>	
	<ul style="list-style-type: none"> <li>any outstanding notices, orders or demands issued by any regulatory authority concerning compliance with health and safety requirements;</li> </ul>	
	<ul style="list-style-type: none"> <li>any health and safety audits conducted over the last three years and, if applicable, the status of any items identified in that audit.</li> </ul>	
(d)	Please provide details of the liability for ACC premiums, and the experience rating of the Vendor.	
<b>5.</b>	<b>Intellectual Property</b>	
5.1	<b>Intellectual property</b>	
(a)	Provide details of all registered and unregistered intellectual property used by the Vendor, including patents, trade marks, designs, copyright works (e.g., manuals, written materials), logos, internet domain names and social media sites.	
(b)	Provide details of all rights granted to any other person to use any intellectual property used by the Vendor.	
(c)	If any intellectual property rights are used by the Vendor under licence, provide copies of licence agreements.	
<b>6.</b>	<b>Statutory and Regulatory Compliance</b>	
6.1	<b>Licences / permits</b>	

Information requested		Information provided / response or comments (made by or on behalf of the Vendor)
(a)	Provide details and supporting documentation of any governmental, statutory, regulatory or other licences, permits, authorisations or arrangements required in connection with the Vendor.	
(b)	Provide copies of any material correspondence with any regulatory or government agency concerning any such permit, licence, approval, consent or similar right.	
6.2	<b>Investigations</b>	
(a)	Provide details of any previous, pending or threatened investigations by any regulatory authority against the Vendor, together with any known circumstances which are likely to give rise to any such investigations.	
<b>7.</b>	<b>Environmental</b>	
7.1	<b>Consents</b>	
(a)	Confirm that all resource consents or other environmental consents or licences required to carry on business are not needed or have been obtained and provide copies of them.	
(b)	Confirm that the activities of the Vendor comply with relevant district and/or regional plan provisions, the conditions of any resource consents, licences or permits and the Resource Management Act 1991, and any other environmental legislation.	
7.2	<b>Environmental issues</b>	
(a)	Provide a list of any environmental liabilities, and any of the matters that are likely to give rise to an environmental liability.	
(b)	Provide details of any land used in connection with the business which is known or suspected to be contaminated.	
(c)	Provide details of any notices or requisitions been received from any regulatory body in the past five years in respect of odour, noise, vibration, asbestos, hazardous waste or any other emissions or discharges.	
(d)	Provide details of any environmental prosecution or enforcement action taken in connection with the Vendor business over the past five years or pending.	

Information requested		Information provided / response or comments (made by or on behalf of the Vendor)
<b>8.</b>	<b>Litigation and Claims</b>	
8.1	<b>Litigation</b>	
(a)	Provide details of current, pending or threatened litigation.	
(b)	Provide details of any defective service or product claims over the last 3 years.	
(c)	Provide details of any judgments or settlement agreements involving the Vendor in the last 3 years.	
<b>9.</b>	<b>Other</b>	
9.1	Please provide any other information material to the business or which the purchaser ought to know.	

**Disclaimer:** *This request list is of a general nature only and does not claim to be comprehensive or provide specific legal advice or other advice. It is not possible to provide comprehensive advice, whether legal or otherwise, on the matters that may apply in your particular circumstances without knowing those circumstances. Accordingly, matters that you consider to be important, or that may otherwise be considered important, to your particular circumstances may not have been addressed in this request list, or may not have been addressed in sufficient detail for your purposes. Consequently, this request list cannot act in any way as a substitute for obtaining your own legal advice and other advice. We have not updated this guide since 1 November 2019 to take account of any subsequent events or changes in law, and we have no duty or responsibility to do so. While every endeavour has been made to supply accurate information, errors and omissions may occur. Accordingly, we do not accept any liability for any loss or damage which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this request list. This request list is subject to our terms and conditions available at [www.advisme.co.nz](http://www.advisme.co.nz).*