

Due Diligence Check List

<i>Activity</i>	<i>Person Responsible</i>	<i>Expected Date of Completion</i>	<i>Completed</i>
<b>I. INVESTOR RELATIONS</b>			
<b>A. Equity Analysis/Communication</b>			
1, Analysis of Investor Reaction/Valuation of Deal			
2, Review of Investor Communication Strategies			
<b>B. Lender Review/Communication</b>			
3, Analysis of Lender and Rating Agency Valuation of Deal			
4, Review of Lender/Rating Agency Communication Strategy			

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<b>II. HUMAN RESOURCES</b>			
<b>A. Employment</b>			
5, Total number of employees by job title.			
6, Total number of employees by location.			
7, U.S. employees listed by FLSA exempt or non-exempt status.			
8, Key employees in each major function.			
9, Organization charts.			
10, Copy or description of any employment contracts in effect.			
11, Description of any labor union agreements.			
12, History of labor problems, organizing efforts, and outlook for the future.			
13, Voluntary employee terminations in past 12 months.			
14, Involuntary employee terminations in past 12 months.			
15, Description of reduction in force policy.			
16, Description of severance pay policy.			
17, Description of outplacement assistance policy.			
18, Description of any "Golden Parachute" agreements.			
19, Description of any loans or other special agreements of any type in effect with any employee(s).			
20, Description of any current complaints or lawsuits relative to employment law, either state or federal.			
21, Description of any agreements signed by employees relative to the assignment of inventions and the protection of the company's intellectual property rights.			
22, Employee census data:			
1) Average age			
2) Average company service			
3) Gender statistics			
<b>B. Compensation</b>			
23, Description of the company's compensation programs for executives, managers and all other exempt and non-exempt employees, including:			
24, 1) Rate range structure for all positions.			
25, 2) Management incentive and/or bonus plans.			
26, 3) Sales incentive plans.			
27, 4) Any other variable pay plans.			

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28, Description of any stock option, stock appreciation right, and restricted stock plans.			
29, Description of executive perquisites (e.g. company automobile or allowance, club memberships, special life or health insurance coverage, etc.)			
30, Description of salary and wage increase policy or practices, including frequency, budgeted increase %, use of formal performance appraisals, etc.			
31, Describe any other forms of compensation or benefits that may be provided to any employees that exceed the basic programs (not included in B.c., above).			
32, Payroll data:			
33, 1) Total exempt payroll			
34, 2) Total non-exempt payroll			
35, 3) Total base pay			
36, 4) Total other compensation			
37, 5) Grand total payroll			
<b>C. Benefits</b>			
38, Indicate which of the following plans/programs currently exist or have existed within the past three years:			
39, Medical plans			
40, Dental plans			
41, Employee assistance plans			
42, Employee wellness plans			
43, Employee physical programs			
44, Medical spending account plans			
45, Group life insurance			
46, AD&D plans			
47, Short-term disability plans			
48, Long-term disability plans			
49, Cafeteria plans			
50, Dependent care plans			
51, Educational assistance programs			
52, Group legal service plans			
53, Qualified defined benefit plans			
54, Qualified defined contribution plans			

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55, Qualified stock purchase plans			
56, Employee stock ownership plans (ESOPs)			
57, Non-qualified salary reduction deferred compensation programs			
58, Non-qualified SERPs			
59, Multiemployer pension plans			
60, Multiemployer welfare plans			
61, Vacation pay plans			
62, Sick pay programs			
63, Retiree versions of any of the foregoing			
64, For any of the plans/programs identified above, provide the following documents as applicable:			
65, Plan documents			
66, Summary plan descriptions			
67, IRS determination letters			
68, 1995 Form 5500/Summary annual reports			
69, Employee handbook/booklets			
70, Latest actuarial valuation for defined benefit plan			
71, Latest actuarial valuation for post-retirement health and life insurance benefits			
72, Latest actuarial valuation for post-employment benefits			
73, Do any of the programs identified have accrued unfunded liabilities (e.g., vacation pay plans, defined benefit plans, retiree health plans, etc.)?			
74, Are all liabilities adequately reported on company financial statements?			
75, Will any benefits be inadvertently triggered by the transaction (e.g., severance pay, vesting of options or distribution of accrued benefits)?			
76, Has the IRS or DOL audited any of the plans recently? If so, what were the results?			
77, Is litigation being threatened or conducted against the plans or relating to the plans? Are there any significant claims by employees outstanding?			
78, What is the overall cost of fringe benefits?			
<b>D. Other</b>			
79, Is there a current, approved Affirmative Action Plan in effect?			
80, What has been the worker's compensation claims experience for the past three years? What is the amount of future reserves for current claims?			
81, Have there been any federal or state health and safety inspections of the company's facilities in the past three years? If so, what were the results?			

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<b>III. OPERATIONS/MARKETING/TECHNICAL SUPPORT</b>			
82, Principal suppliers and terms			
83, Government contracts and subcontracts, key account contracts			
84, Number of customers and names of principal customers			
85, Sales backlog, accounts receivable activity			
86, Sales correspondence			
87, Sales policies including operating leases, and method of compensation of sales personnel			
88, Pricing policies and fluctuations in the past five years			
89, Advertising and other sales promotion programs - cost and effectiveness in the past five years			
90, Research program - cost, history, scope, potential, results, work by outsiders			
91, New developments			
92, Income statement			
93, Profit and loss statement			
<u>Gross sales:</u>			
94, Sales returns and allowances			
95, Sales discount			
96, Product breakdown			
97, Customer breakdown (major customers)			
98, Sales by country by product line			
<u>Cost of goods sold:</u>			
99, Inventory valuation			
100, Expenses included breakdown of non-standard costs			
101, Royalty expense			
<u>Salaries and expenses:</u>			
102, Employee breakdown			
103, Expense breakdown			
<u>Research &amp; Development:</u>			
104, - Last 3 years history breakdown of spending by major Product			
105, Identification of key personnel			

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106, Key patents			
107, Patent applications			
108, - Commitments under 3rd party development contracts or collaborations			
109, Capitalization policy			
<u>Marketing and Sales Information</u>			
110, Previous and current year unit placements by country.			
111, Previous and current year unit returns by country.			
112, Previous and current year installed base by country.			
113, Previous and current year hardware, reagents and service revenue & gross profit by country.			
<u>Key Products</u>			
120, Current standard cost and transfer price by country and by major item.			
121, Previous and current year production volume by major item.			
<u>Current Year P&amp;L</u>			
122, Current year detail of cost of sales: (direct materials, direct labor & manufacturing)			
123, material purchases for key products			
124, labor costs for key products			
125, overhead distribution by product line			
126, variance detail for key products			
127, royalty			
128, distribution			
129, Current year Departmental expense (by account)			
130, Selling-Marketing			
131, Finance			
132, Administration			
<u>Service</u>			
133, Current year world wide service revenue for key products by country.			
134, Recent 3 months history of field service reports for key products (detail).			
135, Summary Reports over last 2 years:			
136, Instrument Service Failure Reports			
137, - Instrument Service Activity Report:			
138, Unscheduled calls/week US vs. Europe			

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139, Average time spent/call US vs. Europe			
140, Average cost/call US vs. Europe			
141, Instrument replacement due to poor product performance			
142, Customer complaints related to operator safety			
143, Customer complaints for product reliability or service			
144, Current year trended headcount by department			
*Gross Profit: Overhead (royalties would be included in standard cost) Standard cost of sales (as above) + all variances including PPV, absorption, etc. freight to customers + warranty, installation			
145, Any lease rates which are adjusted based upon change in ownership			
146, Equipment contracts			
147, What is returned goods policy?			
148, Return rate for key products/year			
149, Service contracts			
150, Royalty agreements			
151, Nonrecurring income and expense items			
152, Are there any rebate agreements or volume discount agreements that may become liabilities against parts shipments?			
<u>Earnings and Dividends</u>			
153, Earnings record and budget for the past five years and the past 12 months, break-even point, gross profit margins, and reasons for variations, nonrecurring income and expenses, changes in over and under-absorbed burden			
154, Plant Facilities			
155, Location			
156, Shipping facilities			
157, Real properties - locations, descriptions, title abstracts; title opinions, title insurance, surveys, encumbrances, liens, or charges including tax liens, mortgages, rights-of-way and easements, restrictions, reversions, zoning laws, and local ordinances			
158, Real properties leases - name of other party; location, description, and use; date, term, and termination rights; rent per month; net lease, or not; guarantees: defaults or breaches; assignability or rights to sub-lease.			

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Land:			
159, Acreage			
160, cost			
161, Assessed value			
162, Fair market value			
Buildings:			
163, Description, including pictures, if available			
164, address			
165, square feet by building			
166, number of floors			
167, square feet of office, lab, clean room, cold room, assembly, warehouse, surplus space by building			
168, number employees by building			
169, Age and condition			
170, Depreciation - reserves, methods, rates, policies			
171, Assessed value			
172, Fair market value (recent appraisals) vs book cost			
173, Fire insurance			
174, Title to realty and title policy			
175, Personal property - lists of machinery and equipment, and miscellaneous items (e.g., airplanes, trucks, and cars); existence of any chattel mortgages, conditional sales contracts, or other liens; where government contracts are involved.			
MACHINERY AND EQUIPMENT:			
176, Description			
177, Age, condition, efficiency, insurance coverage			
178, Depreciation - reserves, methods, rates, policies			
179, Total acquisitions during the past five years			
180, Analysis of most recent additions			
181, Intangibles - patents, inventions, and know-how, review of trademarks, trade names, and copyrights.			
182, Condition of assets			
183, Assignability			

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184, Enforceability			
185, Breaches or defaults			
186, Redetermination clauses			
187, Escalation clauses			
188, Sales and use taxes			
189, Social Security taxes - transfer of experience rating			
190, UCC records			
191, Future plant, machinery, and equipment requirements			
192, Capitalization vs repair policies			
193, Capital expenditures and repairs for the past five years			
194, Subcontracting done by others			
195, Certificates of necessity			
196, Facility contracts or leases			
197, Surplus or idle buildings or equipment			
198, Is the title to land, buildings, or equipment subject to any liens, zoning restrictions, leases, or encumbrances?			
199, Will the selling company furnish to the buying company a title guarantee policy as to the real estate?			
200, Have all liens on leases of real and personal property been paid to date?			

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<b>IV. FINANCE</b>			
<b>A. Income Statement</b>			
201, Sales: see Sales and marketing/Receivables section			
202, Cost of sales: see Purchasing/inventories/Cost of sales section			
203, Gross profits: by product, division, branch, percentage margin on sales, method of spreading profit on long-term contracts.			
204, Research and development: see Markets, competitors and research and development section.			
Selling, general and administrative:			
205, - Do detailed expenditures seem appropriate in light of business activity?			
207, - Are percentages of sales reasonable?			
208, - Analysis of employee bonuses			
209, - Do expenses include personal items of owners/shareholders?			
210, - Any nonrecurring items?			
Other income: details of royalties, management and technical fees, service fees, rents, income from trade and other investments.			
211, Non-operating income/expense:			
212, - Interest income/expense analysis			
213, - Foreign exchange gain/loss analysis			
214, - Analysis of gain/loss on asset dispositions			
216, Taxation: reasons for low rates of charge.			
217, Analysis of extraordinary and exceptional items.			
<b>B. Assets</b>			
Cash and equivalents:			
220, - Latest bank reconciliations			
221, - Last three years cash flow analysis			
222, Short-term investments - Provide latest statement confirming market values.			
223, Trade accounts receivable: see Sales and marketing/Receivables section			
224, Other receivables - Provide detail and ensure collectibility			
225, Inventories: see Purchasing/inventories section.			
226, Other current assets - Provide detail and determine reasonableness.			
227, Property, plant and equipment: see premises and plant.			
Equity investments:			
232, - Provide detail, including original investment and roll forward			

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233, - Provide analysis justifying carrying values - should equal current fair value			
235, - Any guarantees to investees?			
Goodwill and intangibles:			
236, - How were amounts and useful lives determined			
237, - Annual and accumulated amortization - where are amount recorded in income statement?			
238, - Analysis of carrying value - should amounts be adjusted for potential impairment? Is there ongoing usefulness to Beckman after acquisition?			
240, Other non-current assets - detail and substantiation of carrying values.			
241, Treatment of international subsidiaries on parent company books, listing of intercompany balances and investments.			
242, Are there any assignments of receivables or assets, or any rights granted in any asset?			
243, Is there any consigned material or equipment at the plant belonging to others?			
245, Is there any restriction on the use or resale of any equipment?			
246, Is any deferred expense carried as an asset?			
247, Capital commitments at the balance sheet date and details of any significant individual orders placed since.			
248, Insurance coverage, fidelity bonds and amounts. Are policies/instruments assignable?			
<b>C. Liabilities</b>			
249, Analysis of aging of debts.			
250, Approximate number of accounts, details of major accounts.			
251, Terms of credit given.			
252, Establish or Provide a list of general creditors and ensure list is complete through examination of sellers records. Ensure that all liabilities are recorded by reviewing sellers aging, credit list and invoices.			
253, Details of overdraft facilities and security given both at the balance sheet date and at present.			
255, Usual period of credit allowed by/taken from suppliers.			
256, Hire-purchase (installment) agreements.			
257, Amount of longer-term borrowings, dates of repayment, currencies, interest rates, security, and details of any conversion options. Gain an understanding of covenants and inquire about continued compliance.			

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258, Details of pension and other benefit commitments and adequacy of funding. Provide latest audited pension statements and/or actuarial report.			
259, Analysis and basis of provisions for future costs, e.g., warranties and product service guarantee costs.			
260, Analysis and basis of deferred revenues.			
Contingencies:			
261, - Workers compensation			
262, - Service contracts			
263, - Warranty			
264, - Medical/dental - if self insured determine adequacy of IBNR reserves			
265, - Pension			
266, - Tax			
267, - Environmental - any known or potential problems? Are premises, equipment and working conditions safe? Adequate insurance coverage?			
268, - Risk management - if self insured determine adequacy of IBNR reserves			
269, - Pending litigation - review records and present status, are you in the ordinary course of business or actions that could substantially affect the value of the transferred business?			
270, - Patent or royalty infringement - affect on the value of the transferred business?			
271, - Guarantees			
272, What outstanding purchase orders or commitments have been made?			
273, Are there any sales commitments of an unusual nature?			
274, Have all required employee deductions for Social Security, state unemployment, insurance, hospitalization, etc., been made?			
275, Are there any commission agreements or unpaid liability for commission?			
277, Will the selling company indemnify Beckman against claims know or unknown?			
278, Dividend and interest arrears			
279, Leases - locations, description, terms, detail of next five years commitments			
280, Financial viability of Seller's critical suppliers and/or partners.			
281, Have all liens on lease of real and personal property been paid to date?			
282, Have all salaries and wages been paid to date?			
283, Have merchant's license taxes been paid?			
285, Review of any liabilities for repayment for grants on change in ownership of the business.			

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Taxation, federal and foreign:			
286, - Tax returns for latest three years for all operations			
287, - Pending tax cases or unsolved tax matters.			
288, - Comments on adequacy of overall provision, estimated deficiency or surplus.			
289, - Details of losses and allowances available to carry forward and of any available reliefs not yet taken.			
290, - Analysis between current and deferred taxation.			
291, - Basis of providing for deferred taxation.			
293, - Review of status for VAT purposes.			
295, - States in which returns are filed			
296, - Have all taxes been paid? Any items in dispute?			
297, - Tax basis of assets, parent and subsidiaries			
298, Sales tax liability on asset sales			
D. <u>Financial Data</u>			
302, Explanation and detail of consolidations, review of consolidating entries and determination of appropriateness of consolidating each entity.			
303, Chart of account			
304, Nature and extent of computerization and evaluation of related systems			
305, Normal close procedures and timing			
306, Nature, extent and timing of management reporting and budgeting/forecast process.			

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<b>VI. LEGAL</b>			
Copies of the following:			
392, FDA approvals, Form 483 letters and responses			
393, Environmental permits (local, state, federal), correspondence with agencies			
394, Intellectual property licenses, covenants not to sue and agreements			
395, Contracts with third parties			
396, Opinions of counsel (internal and external, formal and informal) concerning any present or proposed product or present or proposed activity or present or past employees			
397, Correspondence from third parties bringing intellectual property to the attention of acquired company relative to present or proposed products and offering a license or suggesting that acquired company may want to consider changing that product			
398, Opinions (formal or informal, internal or external) on validity of acquired company patents used in/or contemplated to be used in the conduct of the acquired company business or on third party patents having a bearing on present or proposed products			
399, All files on pending or threatened litigation			
400, Product complaint files and correspondence			
401, MDR files and correspondence			
402, Notes from and correspondence with regulatory agencies (local, state and federal)			
403, Contracts and all correspondence from and to top 10 customers and top 10 suppliers (dollars and unit volume)			
404, Agreements with banks and creditors (loans, notes, guarantees, etc.)			
405, Insurance policies and agreements and correspondence with agents, carriers and underwriters			
406, Contracts with unions or groups representing employees			
407, Employment contracts			
408, Pension and benefit plans			
409, Any correspondence from past or present employees or concerning past or present employees and alleging discrimination or inequitable treatment or treatment not in accordance with company policy or procedures			
410, Identify the states where the acquired Company is qualified to do business			
411, Copies of all executory consulting agreements			

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412, Copies of all contracts with customers and suppliers having a value in excess of \$25,000 or which cannot be terminated with 30 days prior notice			
413, Sample of terms and conditions for sale, lease and rental of instruments and sale or reagent rentals of consumables			
414, Copies of all customer agreements with terms different from the sample			
415, Copies of all leases for real property and personal property			
416, Copies of all deeds and title insurance policies for owned property			
417, Copies of all file histories for issued patents and pending patent applications that will be assigned or licensed to Beckman			
418, Advertising and sales promotion plans for last 5 years			
419, Copy of standard terms and conditions for service contracts			
420, Copies of all service agreements with terms different from the supplied sample			
421, Copies of the file histories of all trademark applications and registrations that will be assigned to Beckman.			
422, Copies of all consents to use trademarks that will be assigned to Beckman.			
423, Copies of all correspondence with third parties relative to trademarks to be assigned to Beckman.			
424, Copies of all correspondence with third parties and all file histories for any patents or patent applications involved in an opposition or interference.			
425, All in-licenses and in-sublicenses (and related files of correspondence and drafts of agreements) for patents and know-how.			
426, All confidentiality agreements			
427, Notice (and related files) of default, breach or non-compliance under any agreements.			
428, All agreements and correspondence where acquired company has agreed to indemnify another party for use of an acquired company product or process.			
429, All agreements to settle or terminate litigation or threatened litigation.			
430, All pending or threatened governmental investigations or proceedings.			
431, All attorneys' letters to auditors for the past 5 years.			

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<b>VII. MANUFACTURING</b>			
<b>A. <u>Manufacturing Management</u></b>			
432, Provide 1/3/5 year strategic plan.			
433, Provide comprehensive organization charts with explanation of headcount job descriptions.			
434, Explain any restructure or relocation of manufacture in last three years.			
435, Define core competencies.			
436, Provide operating budget for past and present year.			
437, Explain how manufacturing management is measured.			
<b>B. <u>Financial Information</u></b>			
438, Provide all manufacturing volume data, including standard costs.			
439, Provide all manufacturing headcount data; IDL/DL ratio, temporary headcount, etc.			
440, Provide in depth cost of sales data; overhead rates, material burden rates, etc.			
441, Provide listing of non-standard cost data, including manufacturing variance data.			
442, Provide a current capital budget.			
443, Provide listing of manufacturing assets, along with current book values.			
<b>C. <u>Product Manufacture</u></b>			
444, List products manufactured.			
445, Provide production schedules and future forecasts for key products.			
446, Supply information regarding the respective percentages of product manufactured for domestic and international shipments.			
447, Provide past manufacture history regarding key products.			
448, Provide labor standards for key products.			
449, Provide cycle time for key products.			
450, Provide capacity planning data along with hours of operation (shifts).			
451, Provide any other relevant data regarding manufacturing measurements.			
452, Explain all sources of technical support for manufacturing.			
<b>D. <u>Quality Assurance/Control</u></b>			
453, Explain the role of quality in the product validation process.			
454, Explain the use of process validation.			

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455, Explain final test/qualification/release process.			
456, Explain the use of statistical process control by the quality organizations.			
457, Explain the use of automated population data in the test of products. Explain how and where it is collected and used.			
458, Explain the relationship between quality and suppliers.			
459, Explain ESD compliance.			
460, List all training provided to manufacturing by quality organizations.			
<b>E. <u>Regulatory Compliance</u></b>			
461, What is current status with FDA? Are there any pending issues?			
462, Explain in detail ISO compliance. What is the level of compliance? What sites are and are not certified?			
463, List all certifications; UL, CSA, VDE, CE (including EMC compliance), IMEC, etc.			
464, Explain internal and peer audit processes.			
<b>F. <u>Environmental</u></b>			
465, Provide list of all hazardous materials used throughout business and the locations where used.			
466, Provide detailed listing of all current pending issues and recent environmental issue closures.			
<b>G. <u>Material Management</u></b>			
467, Explain all data systems and application software used in manufacturing that relates to material management.			
468, Provide data regarding all inventory types and amounts.			
469, Provide data regarding current inventory management measurements along with past history.			
470, Provide inventory turn data for all key products.			
471, Provide inventory accuracy data.			
472, Is "Just in Time" employed in manufacturing? If so, how?			
473, List all key suppliers, including internal suppliers, with respective commodity.			
474, List all key suppliers operating under long term agreements.			
475, Provide total annual purchase amount.			
476, Provide ratio of internal material purchase versus outside purchase.			

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477, Define the commodity and percentage of material used in the manufacture of product, that is acquired from offshore sources.			
478, Explain excess/obsolete inventory process.			
<b>H. Facilities</b>			
479, Provide detailed listing of facilities. Information should include addresses, leased or owned, terms of leases, rents, renewal dates, appraisals if available, size, type of structure, and what is use of each facility.			
480, List any current or recent OSHA violations.			
<b>I. Documentation</b>			
481, List software applications used in developing documentation.			
482, Provide procedures regarding document change control.			
<b>J. Human Resources</b>			
483, List all manufacturing employees affected by change of control.			
484, Provide average service years for manufacturing employees.			
485, Provide information on Workers Compensation pay-outs.			
486, Provide information on incentive pay programs.			
487, Supply information on all training provided to manufacturing personnel.			
488, Provide data regarding benefits packages for both salaried and hourly manufacturing employees.			

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<b>VIII. QUALITY/ REGULATORY/ENVIRONMENTAL</b>			
<b>A. Regulatory</b>			
489, FDA/Regulatory Compliance			
490, General			
491, Site Registration, Medical Device listings			
492, FD 483's			
493, State inspection			
494, Quality System Regulation Compliance			
495, Device master Records			
496, Quality Records			
497, Product development protocols, policies, procedures			
498, Design History Records			
<u>Customer Complaints/MDR Compliance</u>			
499, Customer feedback process (complaint loop)			
500, Policies and procedures regarding complaint handling, root cause analysis, corrective action and FDA notification			
501, Product complaints and MDR reports			
502, Recall notices and follow up			
<u>Product Approval/Clearance</u>			
503, FDA and International Registrations			
504, Export approvals, Importer licenses, registrations			
505, CLIA categorization			
506, Research Only Products/Investigational Use Only Products			
<u>Product Safety</u>			
507, Compliance to, policies and procedures for:			
508, Hardware			
509, Electrical/Mechanical Safety/ Electromagnetic Compatibility:			
510, UL/CSA (US and Canada)			
511, IMEC (EU)			
512, CE - compliance to the applicable EU Directives (Low Voltage Directive, Machinery Directive, Electromagnetic Compatibility Directive, etc.)			
513, FCC (US)			

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514, Safety Warnings - Lasers, etc.			
515, Reagents			
516, Material Data Sheets - US (OSHA), EU (Dangerous Preparations), Canada (WHMS).			
517, Labeling to reflect chemical classification according to Dangerous Preparations Directive (EU).			
518, QUALITY			
<b>B. Quality Assurance</b>			
519, Product And Process Capability, Validation And Verification			
520, Policies and procedures for:			
521, processes capability			
522, validation			
523, verification			
524, Quality Process mapping			
525, Statistical Process Control			
526, Software Validation And Verification Plan			
527, Software requirement specifications			
528, Validation (Risk assessment/Hazard analysis) plan			
529, Verification plan			
<b>C. Quality Control</b>			
530, Production Related Processes:			
531, Incoming inspection			
532, In-process inspection			
533, Final inspection			
534, Rejected materials control			
535, Calibration of quality control equipment			
<b>D. Quality Systems</b>			
536, ISO-9000 Registration			
537, Is the site registered?			
538, Certifying Agency			
539, Current schedules			

Due Diligence Check List

<i>Activity</i>	<i>Person Responsible</i>	<i>Expected Date of Completion</i>	<i>Completed</i>
<b>E. Site Environmental/Health and Safety</b>			
540, Applicable licenses and permits (water, air).			
541, Safety training			
542, OSHA violations			
543, Hazardous chemicals, disposals, etc.			
544, DEA			
545, Radioactive material			
546, Superfund			

## Due Diligence Check List

<i>Activity</i>	<i>Person Responsible</i>	<i>Expected Date of Completion</i>	<i>Completed</i>
<b>IX. RESEARCH AND DEVELOPMENT</b>			
A. <u>General</u>			
547, Org Charts with name, title or rank, and functional responsibility			
548, Do you have a succession plan?			
549, Budget breakdown by function and project			
550, What are the core competencies of the organization?			
551, How many patent applications have been filed in the last 2 years?			
552, On what subject matter were patents filed?			
553, Is there an active patent incentive policy?			
554, How integrated is R&D into the overall business?			
555, What are the key in-licensed technologies?			
556, Are there any significant out-licensed technologies? If so, what are they?			
557, What is the safety record of the R&D/Engineering group? and Are there potential problems? (i.e. Are there any dangerous devices, chemicals, bio-material, infectious disease, solvents, etc.?)			
B. <u>Research</u>			
558, What kind of research do you do?			
559, Research projects: status, timelines and history			
561, What are your molecular biology capabilities?			
562, What new technologies, if any, are you working on? (Biology, Chemistry, Detection, Hardware, Software, System)			
563, What is your most recent success?			
564, What are you most proud of?			
565, How do you prioritize research projects?			
566, How are projects transferred to development?			
567, What criteria must be met for transfer to development?			
568, How many projects have been canceled after transfer to development?			
569, Why were these projects canceled?			
570, Who are all the outside collaborators?			
571, Who owns or partners with either exclusive or non-exclusive right to the joint venture, alliance or external research? and What are all projects?			
572, List all outside, inside, and within the company, the rights which may or may not transfer with the deal and indicate which they are.			
573, List all the non-transferred technology, invention, research and rights that are used on which product line or specific product.			

## Due Diligence Check List

<i>Activity</i>	<i>Person Responsible</i>	<i>Expected Date of Completion</i>	<i>Completed</i>
C. <u>Development</u>			
574, Development projects: status, timelines and history			
575, What is your product development philosophy / strategy?			
576, What has your history been in completing projects on schedule?			
577, What is the development team structure?			
578, How much Marketing and Manufacturing support is given?			
579, Describe the project management process.			
580, Describe the Design Control process?			
581, Where and how are pilot lots made?			
582, How are development projects prioritized?			
583, Do you use statistical design of experiments?			
584, Who selects new processes for transfer into manufacturing?			
585, Who transfers new processes into manufacturing?			
586, Who supports new products post-launch?			
587, List all the licenses that anyone in R&D is paying for and when does it run out and where is it used.			
588, List all major tools used in development that you paid more than \$20,000 and the maintenance costs for them.			
589, Describe how easy or difficult to keep technical personnel and to get new technical personnel. This should include an organizational chart with years experience in that type of project and how long they were with the company.			
591, Do you formally do System engineering or does the project management do both the project and technical management of the project?			

Due Diligence Check List

<i>Activity</i>	<i>Person Responsible</i>	<i>Expected Date of Completion</i>	<i>Completed</i>
<b>X. INFORMATION SYSTEMS (IS)</b>			
602,			
603, IS Organization Chart			
604, IS Headcount by Department (current and prior 2 years)			
605, IS Expenses by Department (current budget and prior 2 years actuals)			
606, Contracts/Lease Agreements for hardware and software			
607, Business Systems/IS strategic plans			
608, Disaster Recovery plans			
609, IS Policies and Procedures			
610, Information Systems Data Forms - Systems Portfolio and Business Systems			
611, Information Systems Data Forms - Personal Computers			
612, Information Systems Data Forms - Servers			
613, Information Systems Data Forms - Local Area Networks (LAN)			
614, Information Systems Data Forms - Wide Area Network (WAN)			
615, Information Systems Data Forms - Telephony			
<b>XI. CUSTOMER SERVICE</b>			
<b>A. Organization</b>			
616, Provide a list of Customer Service locations			
617, Identify which locations are owned or leased			
619, Provide complete organization charts identifying position titles, number of employees			
621, Provide departmental financial data for the complete organization			
<b>B. Operations</b>			
624, Provide copies of Operation policies and procedures			
626, Identify Current Customer order cycle time requirements for the following shipment types:			
627, Instruments			
628, Consumables - Contracted, Emergency			
629, Service parts - Replenishments, Emergency			
630, Provide copies of all standard customer contracts			
631, Provide copies of any non standard customer contracts			

## Due Diligence Check List

<i>Activity</i>	<i>Person Responsible</i>	<i>Expected Date of Completion</i>	<i>Completed</i>
633, Identify current computer systems used for order processing, contract management, billing			
634, Estimate product reliability/robustness in customer sites and determine warranty costs and on-going customer service exposure.			
635, Provide current performance metrics used to evaluate performance (Orders, Lines/Order, # Instruments)			
<b>XII. LOGISTICS</b>			
638, <u>Organization</u>			
639, Provide a list of Warehouse locations			
640, Provide a detailed breakdown of warehouse space utilized and available by storage type (frozen, refrigerated, ambient, dry, receiving area, shipping area, office area)			
Identify which locations are owned or leased, or operated by third party logistics operatives			
645, Provide complete organization charts identifying position titles, number of employees			
647, Provide departmental financial data for each location within the complete organization			
<b>B. Operations</b>			
650, Provide copies of Operation policies and procedures Describe the current order fulfillment process			
652, Identify Current Customer order shipment cycle time requirements for the following shipment types:			
653, Instruments			
654, Consumables - Contracted, Emergency			
655, Service parts - Replenishments, Emergency			
656, Provide copies of all labor contracts			
657, Provide copies of all transportation contracts			
658, Provide two months of transportations performance reports			
660, Provide current performance metrics used to evaluate performance (Shipments, Weight/Shipments, On time shipments, Emergency Orders, Lines/Order, Overtime hours)			

Due Diligence Check List

<i>Activity</i>	<i>Person Responsible</i>	<i>Expected Date of Completion</i>	<i>Completed</i>
<b>XIII. FINISHED GOODS PLANNING</b>			
A. <u>Organization</u>			
663, Provide a list of planning locations			
664, Identify which locations are owned or leased			
667, Provide complete organization charts identifying position titles, number of employees			
669, Provide departmental financial data for the complete organization			
B. <u>Operations</u>			
672, Provide copies of Operation policies and procedures			
674, Document the current planning process			
675, Identify current planning cycle time for the following product types:			
676, Instruments			
677, Consumables			
678, Service parts			
679, Provide current performance metrics used to evaluate performance (Order fill percentage, Line item fill percentage, Inventory turns, Inventory investment)			
681, Provide detailed departmental financial data for the complete organization			