

BLLENHEIM

ATTORNEYS AT AMSTERDAM

KEIZERSGRACHT 221, 1016 DV AMSTERDAM
POSTBOX 10302, 1001 EH AMSTERDAM
TELEPHONE: + 31 (0) 20 - 5210 100
FACSIMILE: + 31 (0) 20 - 5210 101

<http://www.blenheim.nl>

mail@blenheim.nl

The information provided by Blenheim in this document is for informational purposes only, and does not constitute advertising, solicitation or legal advice. The content of this document is not intended to, and does not constitute, the formation of an attorney-client relationship between Blenheim and any other party. BLENHEIM DOES NOT MAKE ANY WARRANTIES THAT THE CONTENT AND/OR INFORMATION IN THIS DOCUMENT ARE ACCURATE, RELIABLE, OR CURRENT. BLENHEIM DISCLAIMS, TO THE MAXIMUM EXTENT PERMISSIBLE, ALL WARRANTIES, EXPRESS OR IMPLIED.

LEGAL AUDIT OF A DUTCH COMPANY - CHECKLIST

Reference to "the Company" (being a Dutch private company with limited liability or a Dutch public company) shall be deemed to include a reference to all subsidiaries (owned in whole or in part) which form part of the purposed transaction.

In first instance (and at least) the following information and (copies of) documents must be provided in case Blenheim would perform a legal audit of a Dutch company:

I. Corporate Structure:

- (1) Articles of Incorporation/Statutes
- (2) Corporate file:
 - * minutes of all meetings of the Board of management over past 5 years;
 - * minutes of all meetings of the Supervisory board over past 5 years;
 - * minutes of all shareholders meetings (both annual and extraordinary) over past 5 years;
 - * resolutions adopted (outside a meeting) by the shareholders, supervisory Board and Board of Management;
- (3) Shareholders:

- * Shareholders' register;
- * deeds of transfer of shares;
- * resolutions to issue shares;
- * deeds of issue of shares;

requested documentation must reflect the Company's shareholding as from the date of incorporation;

(4) stock options:

- * stock option agreements;
- * other contractual commitments to issue or re-purchase shares;

(5) recent extract from the Trade Register

II. **Finance:**

- (1) a list of all banks with which the company has a relationship, including a description of the type of account and the account number;
- (2) all agreements relating to borrowed money or lines of credit;
- (3) agreements relating to any loan or guarantee of obligations of any third party, whether affiliates or not;
- (4) agreements for the granting of a mortgage or other security interest(s) in the Company's assets or properties:
 - * main terms and conditions;
 - * registration in public register;
 - * notarial mortgage deeds vesting the mortgage(s);
- (5) inter-company or inter-group indebtedness and securities or guarantees given in connection therewith;

- (6) special agreements with respect to financing other than referred to above

III. **Personnel:**

- (1) collective labour agreements ("CAO's"):
 - * main terms and conditions;
- (2) number of employees:
 - * list of employees contemplating date of employment, current salary, fringe benefits, function, date of birth (or age);
- (3) information concerning all employee benefit plans such as profit sharing, medical, health and insurance programs;
- (4) employment agreements with key personnel;
- (5) works council:
 - * composition;
 - * regulations;
 - * minutes of consultation meeting with Board of Management over past three years;
- (6) copy of existing social plans (if any);
- (7) specific agreements in connection with pensions and back service liabilities (including pension plan, pension rights, funding)

IV. **Intellectual property/industrial property:**

- (1) licence agreements and agreements similar thereto (licences granted and obtained);

- (2) information on all patents, trade marks, copy rights registered designs, service marks, know-how, logos and other industrial or intellectual property rights relating to the conduct of business of the company;
- (3) joint venture agreements regarding production, transfer of know-how, technical assistance and agreements similar thereto;
- (4) agreements of joint research and development

V. **Assets, properties:**

- (1) a schedule of all tangible assets and material property owned by the Company, showing cost, present value, condition and estimated useful life;
- (2) documents evidencing title to all material assets (an asset being material if its value is 5% or more of total value of all assets- other than real property- or if such asset is essential to the conduct of the business of the Company;
- (3) leases of assets (e.g. business equipment, office equipment including computer);
- (4) a list of real property distinguishing between freehold and leasehold interest and providing full details:
 - * documents evidencing title to freehold real property;
 - * copies of lease agreements of real property;
- (5) positive or restrictive covenants relating to the use of any land or building of the Company

VI. **Trade Agreements:**

Details and/or copies of all written or verbal:

- (1) sales agreements (whether conditional or not), agreements for sales on instalment basis, agreements for work in progress;
- (2) purchase agreements including supply agreements and service agreements;
- (3) agency agreements, marketing agreements, distribution agreements;
- (4) lease or hire purchase agreements;
- (5) agreements concerning the business of the Company as a whole;
- (6) joint venture agreements;
- (7) agreements with the Vendor or any person or legal entity directly or indirectly related to the Vendor;
- (8) agreements exceeding an annual value of Euro 50.000,-- which cannot be terminated at less than a three months notice period without liability to the Company and/or which are or have been concluded outside the ordinary course of business;
- (9) agreements or any forward position including hedging agreements which may result in a loss when performed;
- (10) cartel or other non-competition agreements;
- (11) agreements or arrangements which are likely or of which the company is aware are likely to be terminated by the other party thereto as a result of a change in the control of the company;

- (12) guarantee, indemnity or surety including but not limited to pledge or fiduciary transfer of property;
- (13) standard forms of purchase and sale orders of the company;
- (14) general sales conditions and general purchase conditions of the Company

VII. **Litigation:**

- (1) list of places where the Company operates its business and description of type of business;
- (2) copies of all licences pursuant to Public Nuisance Act (Hinderwet), Act on Noise Hindrance (Wet Geluidshinder), Act on Airpollution (Wet Luchtverontreiniging), Act on Pollute Surface Waters (Wet Vervuilde Oppervlaktewateren), (local) Effluent Regulations (Plaatselijke Lozingsverordeningen), Act on Chemical Waste (Wet Chemisch Afval), and all other local, provincial and governmental licences and permits relating to the operations of the Company;
- (3) copies of all assessments pursuant to the Acts referred to sub 2, as well as copies of correspondence relating to the said licences;
- (4) list of waste (liquid and non-liquid) generated during the production process and information with respect to the processing thereof;
- (5) a description of all pending or threatened claims relating to the environment, health or safety against the Company;
- (6) a description of all material circumstances relating to the environment, health or safety

which are in conflict with the applicable laws and regulations;

- (7) information on possible pollution of the soil (including ground and surface water) with material which may be regarded as damaging or hazardous to the public health and/or the environment