

INNOVATION WORKS, INC.
TECHNOLOGY COMMERCIALIZATION INITIATIVE
RFP (Spring 2017) FINAL DUE DILIGENCE REQUEST

If your company is recommended for a TCI award at the conclusion of RFP (Spring 2017), you will need to provide copies of the documents listed below for the Company and each of its subsidiaries to Innovation Works. All documents and other information provided should be indexed or otherwise referenced to the section of this Due Diligence Request to which they relate, preferably organized in electronic folders transmitted by email or saved on a CD or thumb drive. All documentation and questions should be submitted to:

Deborah Walker
Legal Counsel
Innovation Works, Inc.
Nova Tower 2
Two Allegheny Center; Suite 100
Pittsburgh, PA 15212
phone: (412) 894-9513
dwalker@innovationworks.org

We recognize that some items covered below may not be applicable to your Company, and we ask that you identify any such inapplicable sections of the Due Diligence Request in your written response. Please note that following review of these documents, Innovation Works may request additional documentation or other information regarding the Company and its operations.

A. CORPORATE MATTERS.

1. List of shareholders/members, and holders of options and warrants, including full names and number of shares/units owned or subject to options or warrants.
2. Copies of all agreements relating to the foregoing (e.g. shareholder/member agreements, option agreements, stock option plans, warrant agreements, voting agreements and any agreement under which any person has registration rights, preemptive rights or any rights of first refusal for securities of the Company).
3. Schedule of any outstanding debt convertible into equity securities of the Company showing principal amount outstanding, accrued interest and maturity date.
4. Copies of all minutes of meetings of the Company's Board of Directors (or equivalent) for the last two years or, if shorter, since the Company's inception.
5. List of current members of the Board of Directors along with contact and affiliation information
6. Identify any shareholder holding 5% or more of the outstanding equity of the company, or any other person who has a controlling interest in the company, who is (a) an elected official of the Commonwealth of Pennsylvania, (b) an employee of the Ben Franklin Technology Development Authority or (b) a member of the immediate family (parent, spouse, domestic partner, child, sibling, daughter-in-law or son-in-law, or grandchild) of (i) an elected official of the Commonwealth of Pennsylvania or (ii) an employee of the Ben Franklin Technology Development Authority.
7. List of subsidiaries, if any.
8. Copies of all disclosure documents or offering circulars, if any, relating to sales of equity or debt securities of the Company.

B. TAX/FINANCIAL MATTERS.

1. Federal and state income tax returns for the three most recent fiscal years, or, if shorter, since the Company's inception.
2. Correspondence with the IRS, state, local or foreign tax authorities concerning adjustments or any ongoing disputes or questioning the Company's compliance.
3. Audited financial statements (or unaudited if audited financial statements do not exist) - including a balance sheet and related statements of income and cash flows - for the three most recent fiscal years, or, if shorter, since the Company's inception.
4. Detailed breakdown of Company's liabilities, including an accounts payable breakdown and aging report.

C. INTELLECTUAL PROPERTY MATTERS.

1. List of patents, trademarks, service marks, and copyrights, whether registered or unregistered, U.S. and foreign, and applications for any of the foregoing. Please include filing receipts for any of the foregoing applications that have been filed and registrations for any of the foregoing that have been registered.
2. Documents, including correspondence, regarding any claim of infringement of the Company's intellectual property rights and any claims of infringement by the Company.
3. Copies of all agreements (licensing and otherwise) between the Company and any third party (including employees) relating to the Company's intellectual property.

D. CONTRACT MATTERS; LIENS.

1. Copies of all agreements relating to a material acquisition or disposition of assets, stock, limited partnership interests, or membership interests, or a merger, reorganization or consolidation.
2. Copies of all joint venture, R&D and similar agreements.
3. Copies of all form agreements used in connection with purchase and sale, lease, rental or license of products of the Company or in connection with the provision of services of the Company.
4. Copies of all leases of real property to which the Company is a party.
5. Schedule of all loan agreements, promissory notes, bank lines of credit or other documents that constitute debt obligations of the Company.
6. Schedule of all royalty, marketing, sales, sales agent, sales representative, broker, dealer, distributor, consignment, pricing, franchise and participation agreements.
7. Schedule of all leases of personal property to which the Company is a party involving the payment of more than \$50,000 in a twelve-month period.
8. Schedule of all other contracts (a) involving the payment by or to the Company of more than \$50,000 in a twelve-month period or (b) entered into outside the ordinary course of business.
9. Schedule of all material liens or encumbrances on the Company's assets or equity securities.

E. EMPLOYEE MATTERS.

1. List of all founders and key employees (management or involved in development of company's IP) with a breakdown of office held, date of hire, compensation, and severance. Include information regarding the form of employment authorization for each founder/ key employee who is not a US citizen (i.e., permanent resident, H-1B status, etc.).
2. Copies of all employment, consulting and non-competition agreements between the Company and any founder/key employee.
3. Copies of all proprietary information, confidentiality and nondisclosure agreements with employees and consultants.
4. Identify any accounts receivable from, accounts payable to, or any guarantee agreements with, or which benefit, any director, officer, key employee, shareholder, member or partner of the Company.

F. MISCELLANEOUS.

1. Any document not covered above restricting the sale or transfer of any of the assets or stock of the Company.
2. Any document not covered above which would require a consent upon, or which would be triggered or otherwise affected by, an equity or debt investment, a merger or change of control of the Company.
3. Any other documents or information related to any portion of the Company's business that should be considered and reviewed in order to adequately disclose the Company's business and financial condition.

IW may request releases to conduct background checks on the Company's founders / management team.