

ARABIAN FINANCIAL BRIDGE SERVICES AFBS

Due Diligence Documentation

| DUE DILIGENCE CATEGORY | DOCUMENTATION TASK | OWNER | STATUS |
|---|---|-------|--------|
| Business Plan, Corporate Structure, Financing | | | |
| Business plan | Current five-year business plan | | |
| | Prior business plan | | |
| Corporate organization | Articles of incorporation | | |
| | Bylaws | | |
| | Recent changes in corporate structure | | |
| | Parent, subsidiaries, and affiliates | | |
| | Shareholders' agreements | | |
| | Minutes from board meetings | | |
| Shareholders | Number of outstanding shares | | |
| | Stock option plan | | |
| | Samples of common and preferred stock certificates, debentures, and other outstanding securities | | |
| | Warrants, options, and other rights to acquire equity securities | | |
| | Current shareholders, including number of shares owned, dates that shares were acquired, considerations received, and contact information | | |
| | Relevant private placement memoranda and other offering circulars | | |
| Lenders | Convertible, senior, or other debt financing | | |
| | Bank lines of credit, loan agreements, or guarantees | | |
| | Loan defaults or expected defaults | | |
| Recent corporate transactions | Description and rationale for each transaction | | |
| | Purchase and sale agreements | | |
| Regulations | Business licenses | | |
| | Environmental permits | | |
| | Workers' health and safety permits | | |
| Marketing, Products, Sales, Service | | | |
| Market analysis | Competition by product line (include contact details, market size, market share, and competitive advantages and disadvantages) | | |
| | Industry and market research | | |
| | Trade publications and contact information | | |
| Marketing, products, sales, and service | Features and benefits of product offerings | | |
| | Product rollout schedule and product life cycle | | |
| | Copies of patents and trademarks filed or obtained | | |

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| | Pricing strategy of product or service | | |
| | Descriptions of existing partners and joint ventures | | |
| | Distribution channels | | |
| | Promotion tactics | | |
| | Top-10 customers by product line and total installed base | | |
| | Sales and marketing presentations | | |
| | Product catalogs and brochures | | |
| | Press releases or articles written about the organization | | |
| | Professional affiliations | | |
| | Customer service strategy | | |
| Contracts | Major contracts by product line | | |
| | Support/maintenance contracts | | |
| | Warranties and guarantees | | |
| | Other customer-related contracts | | |
| | Supplier contracts | | |
| Technology | Technology strategy | | |
| | Overall technical capabilities | | |
| | Technical competitive advantages and weaknesses | | |
| | Technical personnel | | |
| | Copies of user documentation by product (current and historical) | | |
| | Copies of technical requirements, code strategy by product (current and historical) | | |
| | Development process | | |
| Financial and Operations | | | |
| Financial statements | Three years of historical statements: | | |
| | Income statement (P&L) | | |
| | Balance sheet | | |
| | Statement of cash flows | | |
| | Statement of shareholders' equity | | |
| | CYTD statements | | |
| | Most recent five-year projections (pro formas) | | |
| | Monthly sales projections and sales pipeline over next 18 months, including assumptions | | |
| Key financial ratios | Liquidity | | |
| | Leverage | | |
| | Operating efficiency | | |
| | Profitability | | |
| | Return to investors | | |
| Taxes and audits | Historical tax rate | | |

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| | Federal and state net operating loss carryforwards | | |
| | Tax returns | | |
| | Summary results of all tax examinations and audits | | |
| Receivables | Accounts receivable turnover | | |
| | Accounts receivable aging schedule | | |
| | Accounts receivable control and credit policy | | |
| | Accounts receivable seasonality | | |
| Capital expenditures | Last five years | | |
| | Five-year gross projection | | |
| | Detailed priority list | | |
| Equipment | List | | |
| | Depreciation method | | |
| | Age | | |
| | Liquidation value | | |
| | Replacement value | | |
| Leases | Lenders | | |
| | Terms | | |
| | Interest rate | | |
| | Payment schedule | | |
| Litigation | Current litigation and potential damages | | |
| | Potential litigation and potential damages | | |
| Insurance | Property | | |
| | Liability | | |
| | Workers' compensation | | |
| | Other | | |
| Information systems | Description of infrastructure | | |
| | Security layers | | |
| | Backup strategy | | |
| Human Resources | | | |
| Management | Organizational chart (including number of employees by department) | | |
| | Resumes for key managers and key employees | | |
| | Management stock incentives | | |
| Compensation and benefits | Cash compensation per employee (including salary, bonuses, commissions) | | |
| | Summary of standard employee benefits (such as medical insurance, disability insurance, vacation) | | |
| | Copies of 401(k) and other qualified pension and profit-sharing plans | | |
| Other | Ownership interest | | |

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| | Employment contracts | | |
| | Performance evaluation criteria | | |
| | Material transactions with insiders or associates of insiders | | |
| References | Executives: Three references for each | | |
| | Attorney: All legal relationships | | |
| | All directors and significant affiliates; include brief biographies | | |
| | Investors: List all individuals and institutional investors | | |
| | Customers: List of top 10 | | |
| | Strategic partners | | |
| | Consultants, freelance workers (current and historical) | | |
| | Accountants (current and historical) | | |
| | Bankers and creditors (current and historical) | | |
| | Associations: All industry associations in which company and management are affiliated or active | | |