

SAMPLE DILIGENCE QUESTIONS

1. Describe any impact of COVID-19 to your financial condition and results of operations, as well as any expected impact of COVID-19 to your near-term and long-term financial condition and your future operating results. Do you expect COVID-19 to impact future operating results differently than how it might be affecting operating results for the current period?
2. Describe any expected impact of COVID-19 to your capital and financial resources, including your overall liquidity position (and any deficiencies related thereto) and outlook. Has your cost of or access to capital and funding sources changed, and is it reasonably likely to change? Have your sources or uses of cash otherwise been materially impacted?
3. Describe any changes in your overall business strategy as a result of COVID-19.
4. Describe any expected impact of COVID-19 to the supply and demand dynamics of your business in the near-term and long-term.
5. Describe any expected impact of COVID-19 to your operating margin in the near-term or long-term.
6. Describe any expected impact of COVID-19 on the value of the assets on your balance sheet and your ability to timely account for those assets. Will there be significant changes in judgments used to determine the fair value of the assets on your balance sheet?
7. Describe any material impairments, restructuring charges, other expenses, or changes in accounting judgments expected as a result of COVID-19.
8. Describe any expected impact of COVID-19 on your ability to service your existing debt obligations.
9. Describe any covenant breaches under your credit agreement documentation as a result of COVID-19. Is there any material uncertainty about your ongoing ability to comply with your credit agreement covenants as a result of COVID-19, and, if so, what is your expected plan to ensure compliance?
10. Discuss any impact of COVID-19 on any of your other material contracts. Describe any concerns regarding the ability of your counterparties to perform their obligations under or suspend or terminate any of your material contracts.
11. Describe any expected impact of COVID-19 to third parties (such as suppliers or vendors) that are important for the continuity of your operations. Describe any suspension of operations by such third parties (including temporary closures of offices) of which you are aware and how any such suspensions have impacted and are expected to impact your operations.

12. Describe any impact of COVID-19 to your ability to maintain operations (such as remote work arrangements), including any impact on financial reporting systems, internal control over financial reporting and disclosure controls and procedures. Describe any changes in your controls that have occurred that are reasonably likely to materially affect your internal control over financial reporting. Describe any expected challenges with respect to your ability to maintain such systems and controls.
13. Describe any challenges you may have experienced as a result of COVID-19 in implementing your business continuity plans and any material expenditures required to do so. Describe any material resource constraints you have experienced in implementing these plans.
14. Describe any material constraints or other impacts on your human capital resources and productivity as a result of COVID-19.
15. Describe any impact to your operations on travel restrictions and border closures related to COVID-19.
16. Do you expect COVID-19 to impact your ability to meet financial reporting obligations on a timely basis?
17. Describe any other material developments in your business related to COVID-19 of which we should be aware.