

**DATE:** [Insert Date]

**TO:** [Insert Client Name/Board of Directors]

**FROM:** [Insert Legal Counsel/Consultancy Name]

**SUBJECT:** Advisory Letter: Open Source Software (OSS) Contamination Risks - Project [Insert Project Name]

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## 1. PURPOSE

This letter provides a summary of findings regarding the open source software (OSS) due diligence performed on [Insert Target Company Name] (the "Target") in connection with the proposed acquisition. The focus of this advisory is the identification of "contamination" risks where the use of OSS may obligate the disclosure of proprietary source code.

## 2. IDENTIFIED RISKS

Our audit of the Target's codebase has identified the following areas of concern:

- **Copyleft License Violations:** Use of components under restrictive licenses (e.g., GNU GPL, LGPL, AGPL) in a manner that may trigger "viral" obligations for the Target's proprietary applications.
- **License Incompatibility:** Instances where multiple OSS components with conflicting license requirements are integrated, creating a legal impossibility of compliant distribution.
- **Unresolved Dependencies:** Indirect dependencies (transitive dependencies) that carry high-risk licenses not tracked in the Target's official Software Bill of Materials (SBOM).

## 3. IMPACT ASSESSMENT

The identified contamination poses the following risks to the transaction:

- **Intellectual Property Erosion:** Potential requirement to release proprietary "crown jewel" source code to the public.
- **Operational Cost:** Significant engineering effort required to "sanitize" or refactor the code to remove offending components.
- **Valuation Impact:** Risk to the future saleability or licensing revenue of the software assets.

## 4. RECOMMENDED REMEDIATION

We recommend the following actions prior to Closing:

- Require the Target to replace [Insert Specific Component Name] with a commercially licensed or permissively licensed (MIT/Apache) alternative.
- Update the Disclosure Schedules to include a full list of all Copyleft-licensed code.
- Establish an escrow or indemnity specific to OSS non-compliance claims.

## **5. DISCLAIMER**

This advisory is based on the disclosures provided by the Target as of [Insert Date]. A full technical scan (SCA) is recommended to confirm these findings.

Sincerely,

[Insert Signature]

[Insert Name and Title]