

Mergers & Acquisitions Roadmap

ROLE OF THE M&A LAWYER

- Advising on transaction structure and timing
- Conducting or facilitating legal due diligence
- Rendering advice on fiduciary duties and minority stockholder rights
- Providing tactical advice during negotiations
- Negotiating and drafting transaction documents
- Interfacing and assembling team of specialist attorneys
- Incorporating comments to transaction documents from client personnel and specialists
- Communicating with client's non-legal due diligence personnel to identify and address areas of risk and priorities
- Managing and driving the transaction process and getting the deal to closing
- Post-transaction matters

LEGAL DILIGENCE

- Conducting legal diligence is a crucial step in purchasing a company. Typically, a purchasing company will define the scope for review, which includes:
 - Material Contracts, Licences and Permits: Reviewing regulatory, material and operational contracts the vendor is a party to for the purpose of identifying risk involved in contracts, including any notices or consents required for change of control (share-sale) or assignment (asset-sale)
 - Employee Contracts: Reviewing the vendor's employee contracts to understand the risks and future liabilities of the vendor's employees
 - Regulatory Compliance: Purchaser must ensure that the vendor company is in compliance with the law and adheres to regulatory requirements
 - Public Diligence Searches: Conduct searches on the vendor to investigate if the vendor is subject to any liens, litigation claims etc.

COMMON COVENANTS

Non-Compete Covenant

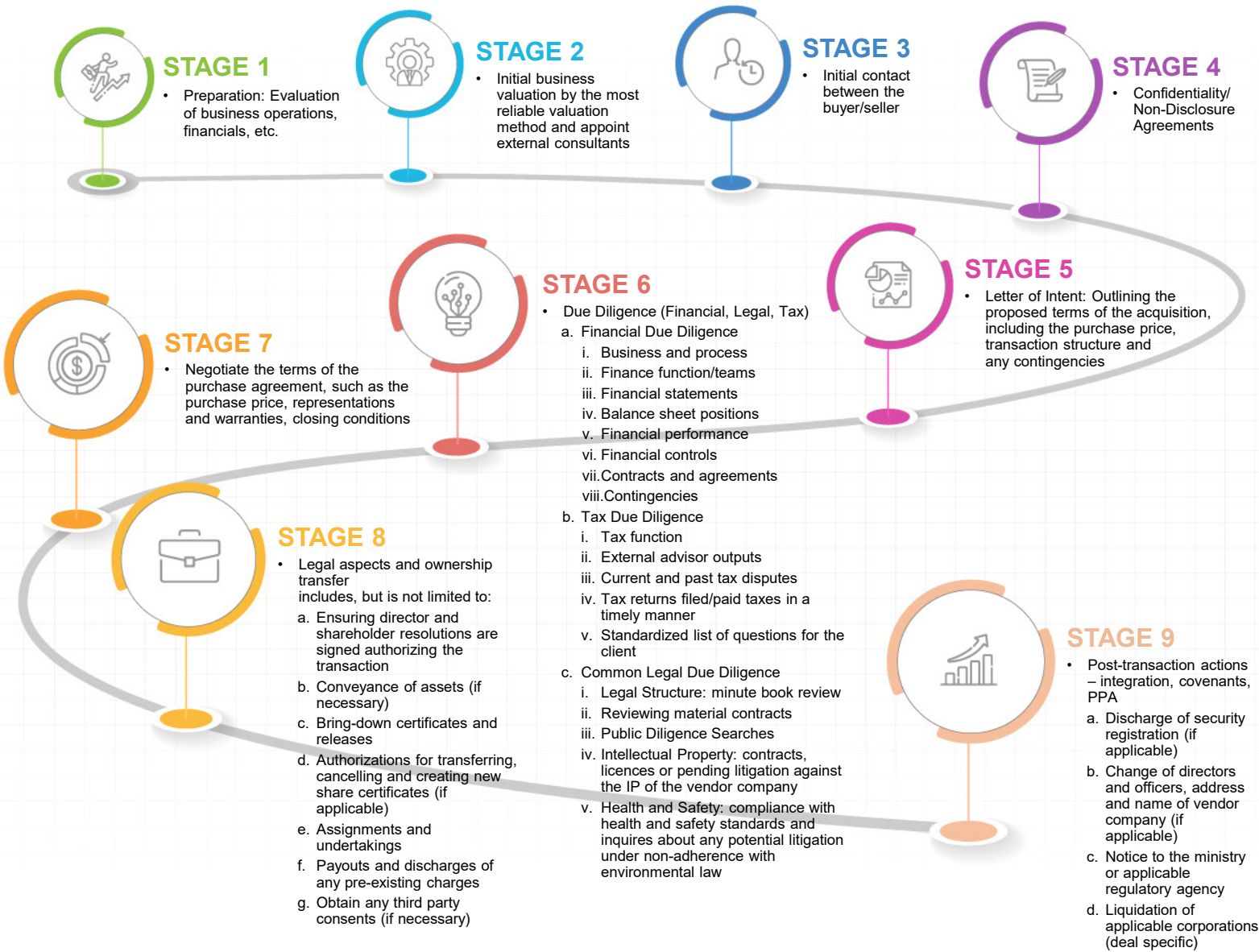
- The vendor and its key employees would typically be bound by this restrictive covenant, which forbids them from participating in any activities that would compete with the business of the purchasing company. This prohibition applies for a specified duration and within a specific geographical area

Non-Solicitation Covenant

- The purpose of this restrictive covenant is to prevent the vendor from actively seeking or recruiting employees or customers of the purchaser for a specific period following closing. By doing so, it aims to safeguard against the potential loss of crucial talent or valuable clients

Confidentiality Covenant

- Both parties usually agree to maintain the confidentiality of sensitive information shared during the transaction



CLOSING/POST-CLOSING

- Legal
 - Obtaining third party consents
 - Regulatory filings
 - Coordinating financial advisers, accountants and proxy solicitors
- Accounting
 - Financial consolidation and integrations
 - Financial reporting requirements
 - Purchase price allocation
 - Identification and valuation of intangible assets
 - Fair market value of tangible assets
 - Goodwill calculation and recognition



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