[ADVOS]

ROADMAP TO A SUCCESSFUL M&A TRANSACTION

ADVance Due Diligence

- Sell-side: Well before you have started down the path toward a transaction, gather your key documents and information in a secure, online data room – and keep the data room updated along the way.

Assemble the Team + Set the Strategy

- Before you start making key decisions about your transaction, gather your key internal and external team members, and discuss the deal as a team (not in separate conversations).

- Determine who will be the "Deal Czar" – the person responsible for keeping the deal on track and managing the project – and set expectations for the cadence of communications.

- Ensure your team is clear about why this deal is happening, the parameters for the transaction, and any imperatives – including timing and deal terms.

Let the Games Begin! NDA, "Preview" Diligence + LOI

- Before you can agree to high-level terms of the deal, the buyer will likely want to do some "preview" diligence (often, high-level financials and big-picture information sharing). Before that happens, the parties should enter into an NDA that will protect the seller's information from disclosure or use outside the transaction process.

- Once the NDA is signed and Preview Diligence is complete, the parties should agree on the key terms and structure of the intended deal, and execute a Letter of Intent or Term Sheet.

Due Diligence

- Time for the buyer to dig in and find out what, exactly, they're buying. As they find issues, or realize that data is unorganized or unavailable, the price goes down, and they'll want to look even deeper. On the other hand, if the data room is well prepared and issues have been proactively addressed, diligence moves quickly and there's less risk of price reductions.

Negotiate + Close the Deal

- Based on the LOI and the results of due diligence, the definitive documents are drafted, negotiated and signed. Here's to your successful transaction! Now, it's time to deliver on the transaction thesis.

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ADVANCE DUE DILIGENCE[SM]
DATA ROOM CATEGORIES

1) Financial and Strategic Goals
    - Financial Reports, Budget, Projections
    - Strategic Plan
    - Loan Agreements
    - Marketing & Sales Materials
2) Corporate Structure and Governance
    - Corporate Record Book
        - Articles of Incorporation/Organization
        - Bylaws/Operating Agreement
        - Shareholder Agreement
        - Board Meeting Minutes
        - Shareholder/Member Meeting Minutes
        - Governmental Filings
    - Ownership/Investment-Related Documents
        - Capitalization Table
        - Term Sheets and Equity Purchase Agreements
    - Merger/Acquisition Documents
    - Entity Organizational Chart
3) Intellectual Property
    - Trademark/Patent Filings
    - IP Rights Agreements (Licenses, IP Ownership Assignment Agreements)
4) Material Relationships
    - Customer Agreements
    - Supplier Agreements
    - Independent Contractor Agreements
    - Form Agreements
    - Leases
5) Workforce
    - Employment Agreements and Offer Letters
    - Workforce Policies and Employee Handbooks
    - Workforce Organizational Chart
    - Job Descriptions for Key Roles
    - Employee Benefits Documents
6) Compliance and Risk Management
    - Certificates of Insurance
    - Compliance-related Notices and Policies
7) Other
    - Disputes

[5000 SAWGRASS VILLAGE CIR., SUITE #7 PONTE VEDRA BEACH, FL 32082] [904.567.5311] [ADVOSLEGAL.COM]