

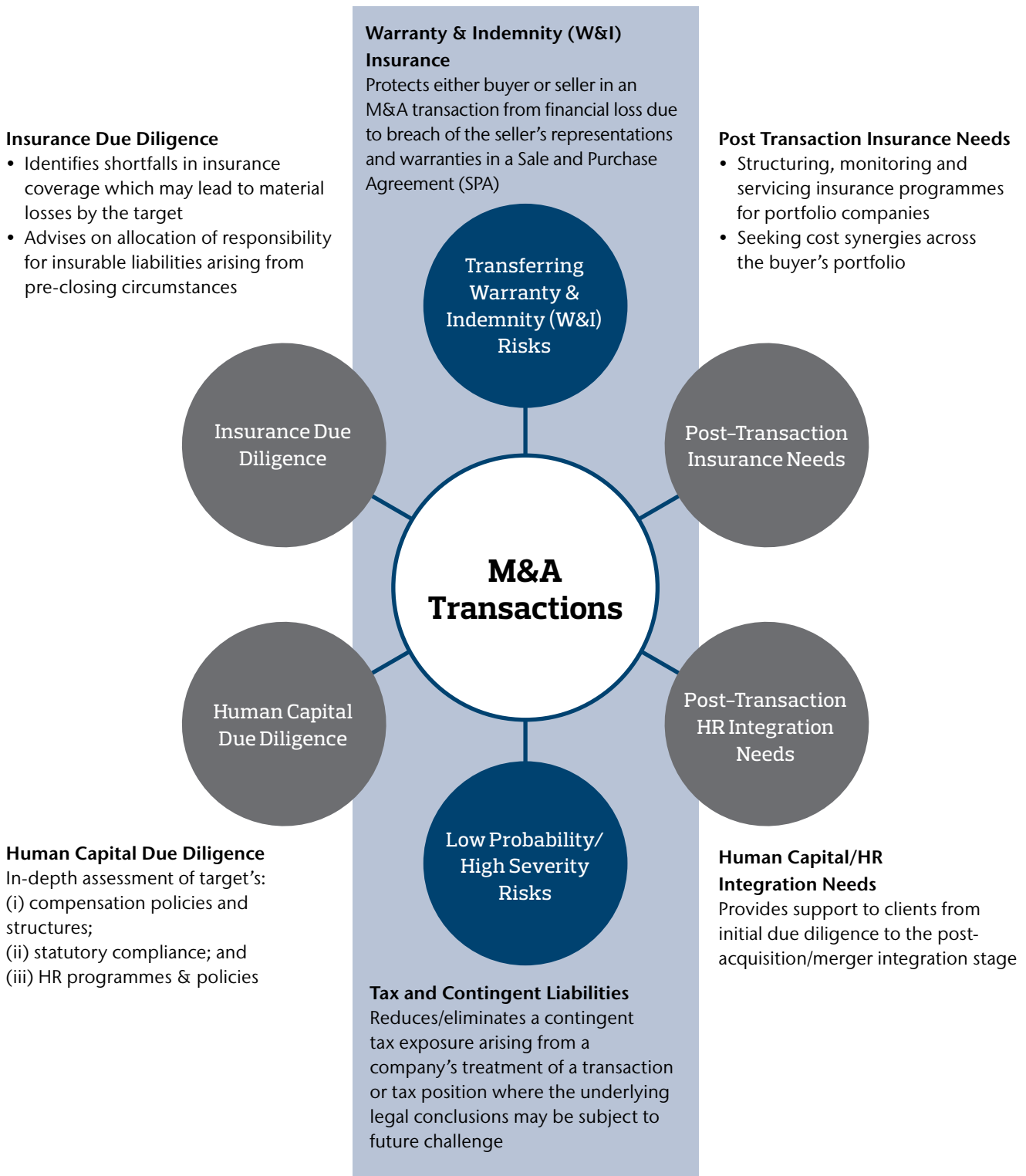


Mitigating Risks in M&A Transactions

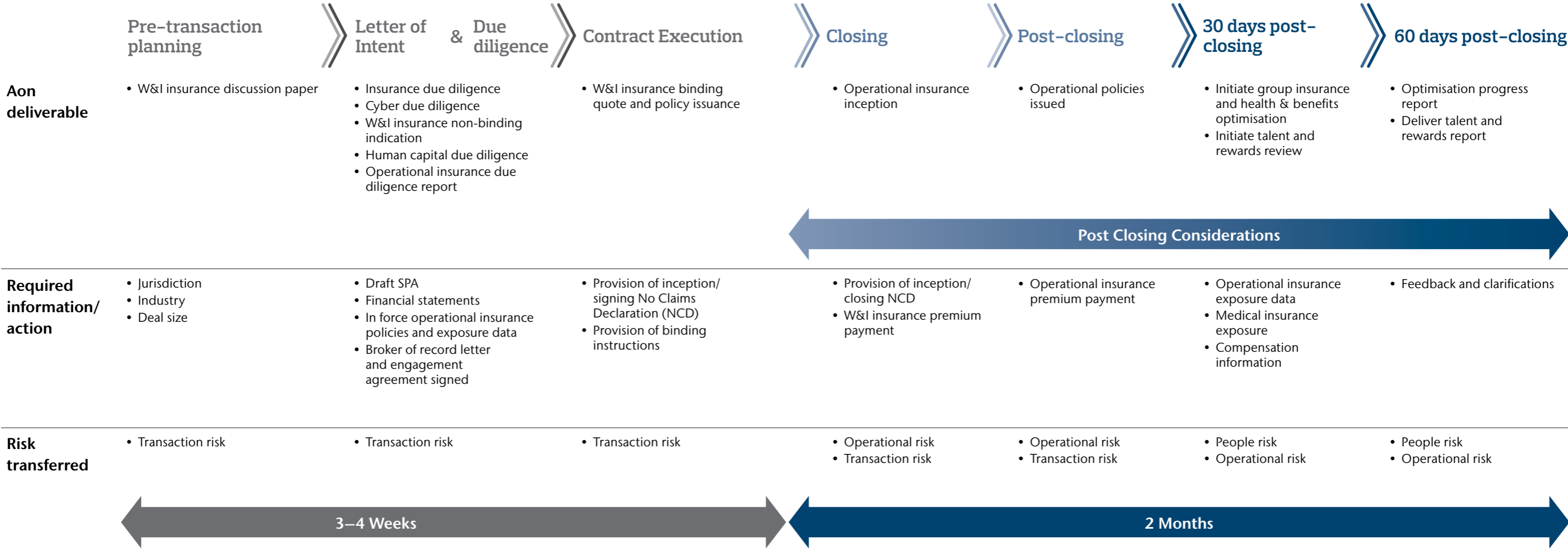
Transaction liability solutions that maximise your returns

Our Suite of M&A Solutions and Services

Aon's M&A team can provide value at every stage of a transaction.














How Aon Mitigates Risk in an M&A Journey





Strategic Uses of W&I Insurance

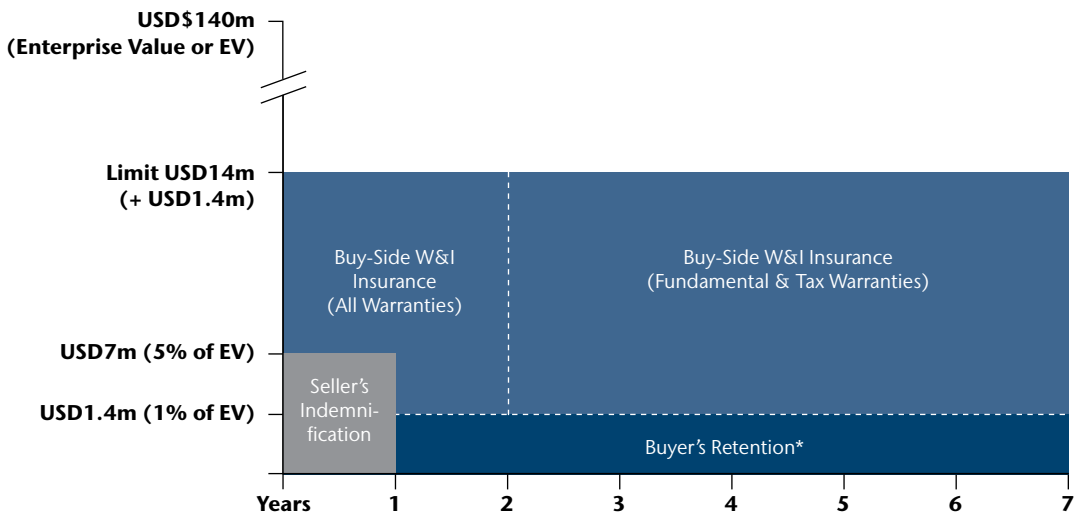


W&I Insurance Case Study: Collection Concerns/Clean Exit (Buy-Side Policy)












Background		Aon's Approach and Outcome	
 Seller	A Private Equity firm	 Policy	Buy-side W&I Insurance being buyer's sole recourse for any breach of representation and warranties (fully paid by seller)
 Buyer	State-owned enterprise (SOE)	 Limit	USD14 million (10% of EV)
 Geography/region	Southeast Asia	 Retention	USD1.4 million (1% of EV)
 Target	Metals manufacturer	 De minimis (or per claim amount)	USD100,000 (0.07% of EV)
 Enterprise Value (EV)	USD140 million	 Policy period	Fundamental and Tax representation and warranties: 7 years General representation and warranties: 2 years
 Purpose	Listed SOE required market standard W&I and indemnification regime in order to get shareholder and governmental approval		

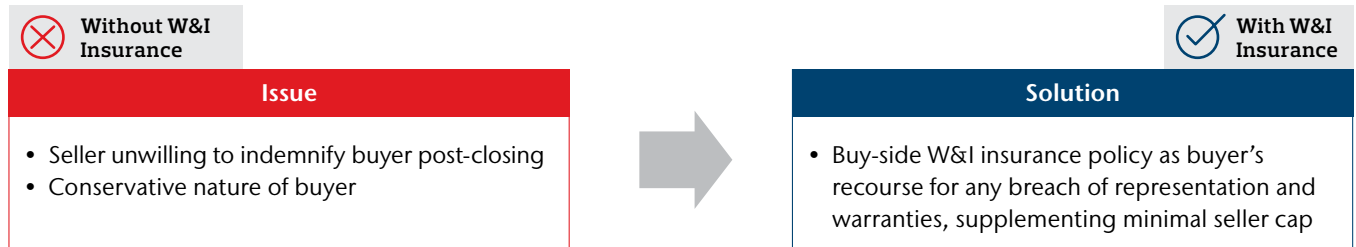
 Without W&I Insurance	 With W&I Insurance
<p style="text-align: center;">Issue</p> <ul style="list-style-type: none"> Limited time-span of fund resulting in seller's limited ability to indemnify buyer post-closing Conservative nature of buyer 	<p style="text-align: center;">Solution</p> <ul style="list-style-type: none"> Buy-side W&I insurance policy as sole recourse for any breach of representation and warranties under the SPA

* Nil retention for Fundamental Warranties

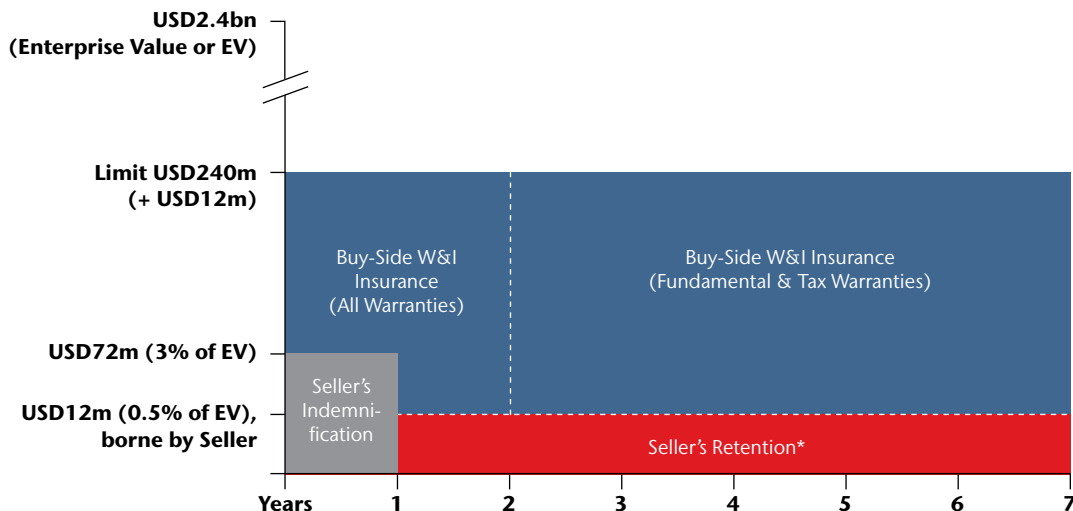


W&I Insurance Case Study: Seller's Prerequisite (Buy-Side Policy)

Background		Aon's Approach and Outcome	
 Seller	A Private Equity fund	 Policy	Buy-side W&I insurance policy as being buyer's sole recourse for a breach of representation and warranties under the SPA
 Buyer	A Private Equity fund	 Limit	~USD240 million (10% of EV)
 Geography by region	North Asia	 Retention	USD12 million (~0.5% of EV)
 Target	Commercial real estate	 De minimis (or per claim amount)	USD1.2 million (~0.05% of EV)
 Enterprise Value (EV)	~USD2.4 billion	 Policy period	Fundamental and Tax representation and warranties: 7 years General representation and warranties: 2 years
 Purpose	To bridge the gap between the minimal recourse provided by seller and the conservative nature of the buyer		



* Nil retention for Fundamental Warranties



Why Aon?



#1

Leading
W&I Insurance
broker

Unique
access to capital via
Aon Client Treaty



**Largest Global
Specialist
Tax Practice**



looking at insuring specific tax risks

USD450m
Largest Limit for W&I
placed in Asia

Contact Us

**Asia Transaction
Liability Team**
mergers-acquisitions@aon.com

Largest Deal for which W&I
policy was placed for a client in Asia

USD6.5b



**Comprehensive
Claims Team**
comprising qualified
lawyers



Full Suite
of M&A Solutions

- Insurance due diligence
- Intellectual property solutions
- Human capital solutions
- Tax liability and other contingent liability solutions

Largest Team of M&A Specialists
with regional W&I experience



About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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