



M&A Solutions

Securing Investments and Enhancing Returns throughout the Deal Lifecycle

Aon

Delivering Results that Improve Deal Outcomes

Managing a merger, acquisition or other market transaction is complex, time-critical and highly specialized. M&A professionals know the importance of identifying strategic partners who understand their goals and challenges, and who bring a robust knowledge of deal sourcing, transaction processes and investment strategies to the table. Aon is that partner.

Throughout the deal lifecycle, Aon brings unparalleled experience and global resources and coordination to help our clients evaluate targets, recognize red-flag issues and close deals on time and with maximum value. Comprised of deeply experienced M&A, tax and litigation lawyers, senior intellectual property professionals, human capital, cyber, and other M&A and capital markets professionals, Aon's M&A team brings tailored support to each unique deal.

Aon's M&A Solutions include:

- Specialized Diligence & Risk Mitigation Strategies
- M&A Insurance
- Human Capital
- Intellectual Property
- Portfolio Solutions for Private Equity

We can help you assess and manage deals across industries and across the globe at every stage of the deal lifecycle.



Specialized Diligence & Risk Mitigation Strategies

From having the tools needed to negotiate a best-in-class deal to paving the way to a smooth integration or creation of a new platform for future growth, buyers must undertake thorough diligence across an evolving array of risks to drive success. Aon brings together a deeply experienced team of intellectual property experts, cybersecurity specialists, and M&A, insurance and human capital professionals to provide the broadest view of risk in the industry to conduct comprehensive deal diligence and improve deal outcomes.

Aon Diligence Solutions include:

- Cybersecurity
- Human Capital
- Intellectual Property
- Risk & Insurance
- Source Code



Cybersecurity

Cyber risk is a leading strategic threat to deal outcomes. To address this risk, firms must gain an understanding of the cyber risk exposure of their investments early in the M&A deal lifecycle. M&A cyber diligence is critical to identifying potential threats to the value of your investment. Aon will assess your target's cyber risks and vulnerabilities while strictly adhering to your deal time frame, creating a cyber risk profile that informs a 100-day post-close remediation plan. Applying a process developed expressly for our M&A clients, we evaluate your target's security posture and preparedness against key threats, including an analysis of the target's security controls in conjunction with technical testing, in as little as one to two weeks. Technical internet-facing system and software vulnerability information is supplemented with a qualitative investigation of the target's overall cybersecurity program maturity.

Human Capital

Aon's Human Capital Due Diligence Solutions are designed to evaluate the target's existing employee benefit plans, including red flags, timelines and benchmarking. We help clients uncover relevant data needed from the seller, analyze data within deal parameters and manage timelines and communication. We work to complete an evaluation of the target organization's human resources and benefit program to quantify financial liabilities and compliance risks to provide insight into their financial model, helping you negotiate more competitive pricing.

Intellectual Property

With \$19 trillion, or nearly 85% of the value of the S&P 500, represented by intangible assets, investment in intellectual property has changed the global landscape across industries. Many companies, however, have been slow to adopt new approaches to managing and valuing their intellectual property portfolios in a manner that creates enterprise value.

Aon helps clients protect and maximize their most valuable assets in today's business world—their intellectual property. To help protect your intellectual property, we provide a full range of risk management solutions to help secure your intellectual property portfolio. Our intellectual property risk management services include:

- Patent portfolio quality assessment
- Competitive intellectual property landscape analysis
- Patent asset benchmark analysis
- Deep-dive assessment and relative valuation of intellectual property portfolios of M&A targets
- Third-party intellectual property claims assessment

Risk & Insurance

Our M&A diligence professionals will identify issues and offer solutions that can affect your deal terms, purchase price and return on investment, addressing situations ranging from uncovered emerging risks to appropriateness of collateral requirements and balance sheet accruals. We help you minimize and mitigate go-forward risk and people costs by focusing on EBITDA, balance sheet and credit implications of the programs and aligning risk transfer and risk retention with your go-forward strategy. Our uniquely diverse group of M&A diligence specialists and Aon's global network of industry and coverage specialists provide benchmarking and analytics, expertise and leverage, helping you protect your investments with state-of-the-art risk management and program design.

Source Code

In the modern age, nearly every company has underlying software supporting its activities. Acquiring software in a transaction presents unique risks. We understand that your investment relies on the ability to integrate and update the software, and our tech-savvy clients want insights into their source code investments and the human capital behind that code beyond the standard open source report. Relying on the lessons of two decades of battle-tested litigation experience, Aon examines your target's source code to help identify red flags around source code ownership, maintainability and security, offering you actionable details to better prepare you for post-close success.



M&A Insurance

M&A insurance solutions have become a standard component of M&A structures. When you are divesting a company, M&A insurance helps you achieve a cleaner exit, allowing sellers to put money back to work more quickly and providing buyers with comparable or greater levels of protection than traditional indemnification. Buyers who do not consider representations & warranties, tax or contingent liability insurance can find themselves at a disadvantage given today's competitive landscape.

The Aon team delivers a boutique service experience from seasoned former practicing M&A, tax and litigation lawyers and deal professionals who have the depth and experience within a leading global organization to address your deal's financial uncertainty and unlock greater opportunities. We offer the broadest range of solutions in the market and maintain strong insurance carrier relationships.

Representations & Warranties Insurance

Aon leads the representations & warranties insurance market both in terms of limits placed and policies written. Your deal is supported by a global team of experienced M&A lawyers and deal professionals who expertly manage your deal through the entire process.

From financial statement errors to potential environmental issues or undisclosed regulatory exposures, unknown risks are inherent in acquisitions. Because of this uncertainty, sellers typically are required to indemnify buyers, tying up a portion of their sale proceeds for a considerable period of time. Conversely, buyers are looking for certainty to protect against losses should a breach occur.

The use of representations & warranties insurance can bridge that gap by helping protect buyers from losses resulting from a breach of sellers' representations in a purchase agreement and eliminating the need for a robust indemnity. Using this approach, sellers can walk away with all of the sale proceeds at closing and buyers start their ownership with the peace of mind that the value of the deal will not be eroded after the close.



Tax Insurance

As the dominant global tax insurance broker, our team of global tax lawyers brings unparalleled experience and depth to help you achieve certainty with respect to the tax treatment of your deal or items uncovered through diligence.

Today's tax structures and their legal, financial and business implications have grown rapidly in both size and complexity. The impact of an unexpected tax challenge can significantly compromise the value from a deal. Tax insurance was designed to help protect you in the event that a transaction fails to qualify for its intended tax treatment. Tax insurance can cover losses including taxes payable, interest and penalties, and gross-up amounts for tax due on insurance proceeds. It can also cover contest costs tied to the defense of the position.

In the case of an acquisition of a target with a large tax exposure, tax insurance can help move both parties past a difficult or even insurmountable negotiation. As a strategic financial tool, tax insurance benefits a seller looking to cover its indemnity obligation for preclose tax exposures, or allows a buyer to insure itself against a heightened tax issue rather than seek a special indemnity that can hinder the deal.

Contingent and Litigation Insurance

When a transaction has a risk exposure with the potential for significant loss, such as pending litigation or successor liability, the potential damages can be hard to measure. Because of the unpredictable nature of such events, sellers may find it difficult to attract a buyer who is willing to assume an open-ended exposure to loss. Further complicating this type of situation is the fact that these events are often unique and lack the benefit of history to calculate the scope of the exposure.

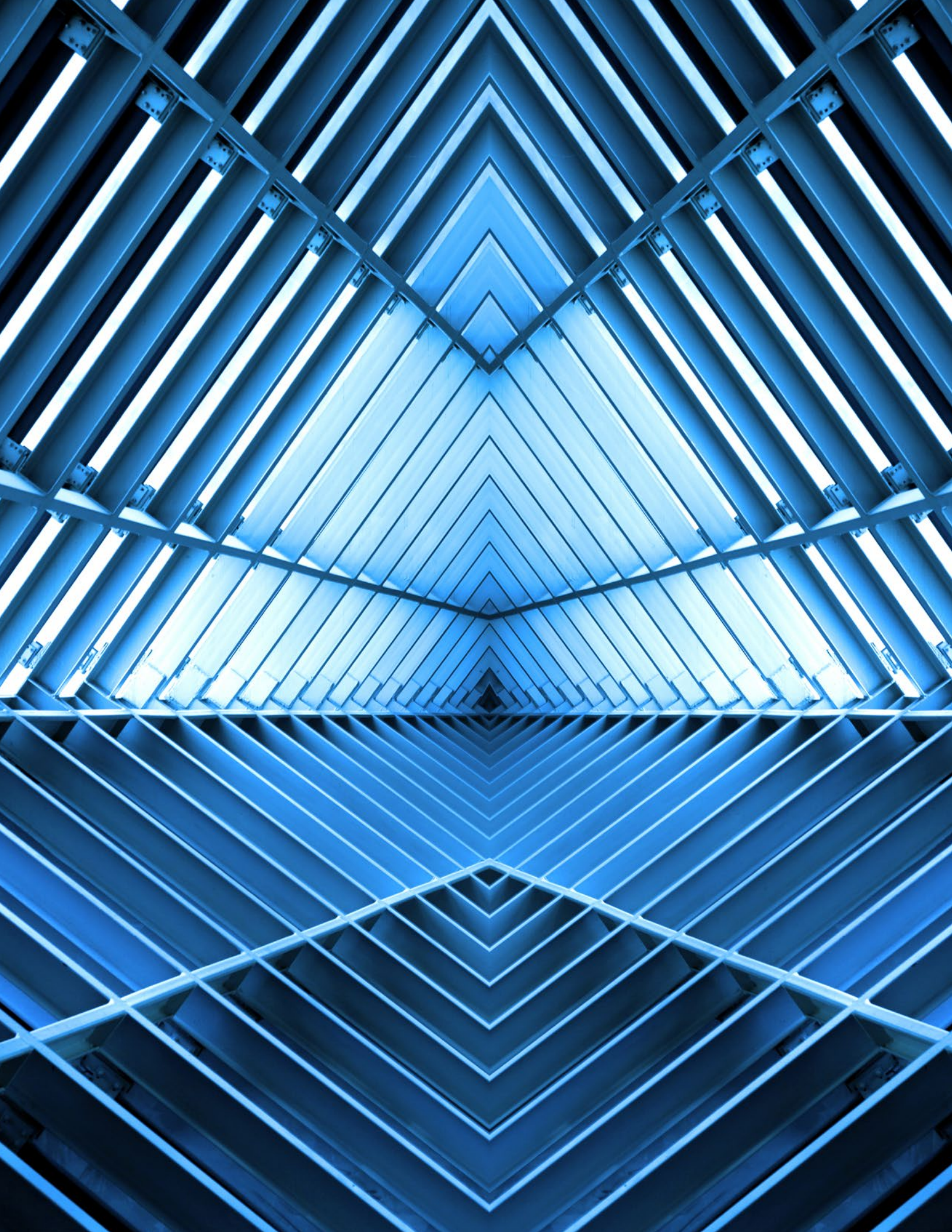
Insurance for contingent liabilities and litigation offers highly customized policies that bring predictability to deals that may otherwise be difficult to close. By using this tool, sellers can avoid a substantial escrow requirement and buyers can transfer the risk with an insurance policy to ring fence the cost of damages from an adverse judgement.

Dedicated Claims Advocacy

Aon has experienced tremendous growth in M&A insurance over the past several years. Along with the increase in number of policies written has come a proportionate uptick in the number of claims against those policies where damages occurred.

Aon is committed to providing clients with not only the industry's deepest brokerage team with M&A experience, but also a highly experienced team of claims advocates whose primary role is to support clients throughout the claims process, from the filing of an initial notice to ultimate resolution with the insurer.

Aon has deep experience in negotiating a wide array of management liability claims. Together, we bring a seasoned approach to efficiently and effectively negotiating claims on our clients' behalf.



Human Capital

Human resources and people issues are often overlooked as a key piece of deal evaluation, but deal makers need experienced professionals to help evaluate multiple benefits programs, employment policies and leadership integration. The Aon team includes former HR, legal and employee benefits professionals who have substantive experience and apply this knowledge to every interaction.

Our total-rewards approach uses a detailed understanding of the intricacies of human resources and benefits programs to clearly evaluate the impact on a deal.

We can help you establish effective benefits programs with proven onboarding strategies for different transactions structures, whether carve-outs, acquisitions, stock/asset purchases or mergers. Our proprietary cost analysis tools and leveraged purchasing programs help rationalize your benefits portfolio, while optimizing programs to suit employee retention and engagement – all with an eye toward your exit strategy.

Aon takes a holistic approach to address human capital issues. As part of our human capital services for M&A, we develop risk mitigation strategies and help ensure post-merger readiness. We work to harmonize your health and benefit plans and programs in a way that balances your business and compliance needs, while delivering employee value.

Leveraging Aon's assessment tools and technology, we help ensure the right leaders and strong talent are in place as quickly as possible. Aon

- Identifies and drives opportunities for synergies
- Assesses cultural differences and develops strategies to align cultures to maximize organizational effectiveness
- Builds and executes change management plans that help keep employees engaged and productive

Intellectual Property

With \$19 trillion, or nearly 85% of the value of the S&P 500, represented by intangible assets, investment in intellectual property has changed the global landscape across industries and regions.

Many companies, however, have been slow to adopt new approaches to managing, assessing and creating value around their intellectual property portfolios in a manner that fully captures their value potential. Across the deal lifecycle, the implications for M&A professionals are significant as they look to maximize returns on their investments while managing associated risks.

Aon brings a deep understanding of both mergers & acquisitions and intellectual property to develop uniquely tailored solutions that address both opportunity and risk within each deal. Aon brings the best minds and strongest analytical tools to provide a comprehensive approach to intellectual property across a client's intellectual property portfolio by applying our three pillars of strategy, valuation and risk.

Aon works with you to grow enterprise value by developing an intellectual property-based value creation strategy that aligns with your business strategy. Whether your business is anticipating acquisition activity, raising capital, preparing for an IPO or evaluating other market-driven events, we develop value capture programs designed to optimize your intellectual property assets to improve outcomes and drive success.

Intellectual Property Strategy

Historically, the lens through which intellectual property strategy was created examined the strength of the legal framework for patents, copyrights, trademarks and trade secrets. However, in today's highly interconnected and complex marketplace, ownership is only one aspect of a much larger picture. The volume and scope of a company's intellectual property portfolio also requires an understanding of the competitive outlook for related intellectual property and of the products, services and processes that the intellectual property supports.

Aon's Intellectual Property Solutions include:

- Competitive and Industry Landscape Evaluation
- Buy-Side and Sell-Side Assessment
- Enterprise Value Creation
- Intelligent Portfolio® Build
- Executive Reporting and Advocacy

Strategy • Valuation • Risk



Intellectual Property Valuation

Intellectual property assets are notoriously opaque and difficult to value, leaving those buying or selling a company challenged to set the appropriate price or unlock the value of assets already developed or acquired.

Leveraging a proprietary analytics platform, Aon provides a current assessment of your intellectual property by applying a deep qualitative and quantitative understanding to the assets to develop and articulate holistic valuation models.

Aon's valuation services support you with:

Targeting

Our highly experienced team leverages Aon's proprietary technology to help you identify and prioritize targets based on intellectual property strength and market opportunity, and inform buy-side negotiations.

Negotiating

Aon delivers a sophisticated qualitative and quantitative approach to valuing intellectual property.

Qualitative Intellectual Portfolio Review: Aon uses proprietary data analytics to generate a qualitative view of the value of an intellectual property portfolio around the scope of claims coverage, market opportunities and risk factors associated with the portfolio.

Quantitative Review: Aon applies different methodologies, including market, cost and income approaches, to value intellectual property to address the market dynamics of the contemplated transaction, including liquidation to going-concern settings.

Alternative financing

Aon helps you unlock the value of your intellectual property by providing accurate and timely valuation of your intellectual property assets to support a variety of capital management efforts, including intellectual property-backed financing, risk transfer strategies and intellectual property asset monetization strategies.

Selling

When selling a company or portfolio asset, or taking your company public, Aon can help identify buyers or investors whose business strategies align with the company being sold and help you articulate value to the Street to maximize returns.

Intellectual Property Risk

Intangible assets have become the foundation of our global economy, requiring a different approach to business risk management. Issues around ownership and potential litigation can be deal-breaking or can significantly erode value after the close of a transaction.

Intellectual Property Risk Assessment

Aon assesses the likelihood and potential impact of third-party claims, analyzes potential loss of intellectual property and its financial toll on your business, and helps you understand the competitive intellectual property landscape. We provide a full range of qualitative and quantitative risk management solutions to secure your intellectual property portfolio.



Our intellectual property risk management services include:

- Patent portfolio quality assessment
- Inbound licensing risk management
- Competitive intellectual property landscape analysis
- Total cost of intellectual property risk assessment
- Patent asset benchmark analysis
- Deep-dive assessment and relative valuation of intellectual property portfolios of M&A targets
- Third-party intellectual property claims assessment
- Trade secrets
- Assessment and valuation
- Quality code assessment

Intellectual Property Liability Insurance

New threats have emerged as competitors look to increase market share in an ever-evolving marketplace, forcing companies to defend themselves against accusations of intellectual property infringement by competitors, patent assertion entities and nonpracticing entities more commonly known as “patent trolls.” Now, Aon can help our clients to protect their businesses against costs resulting from third-party infringement lawsuits (e.g., patent infringement).

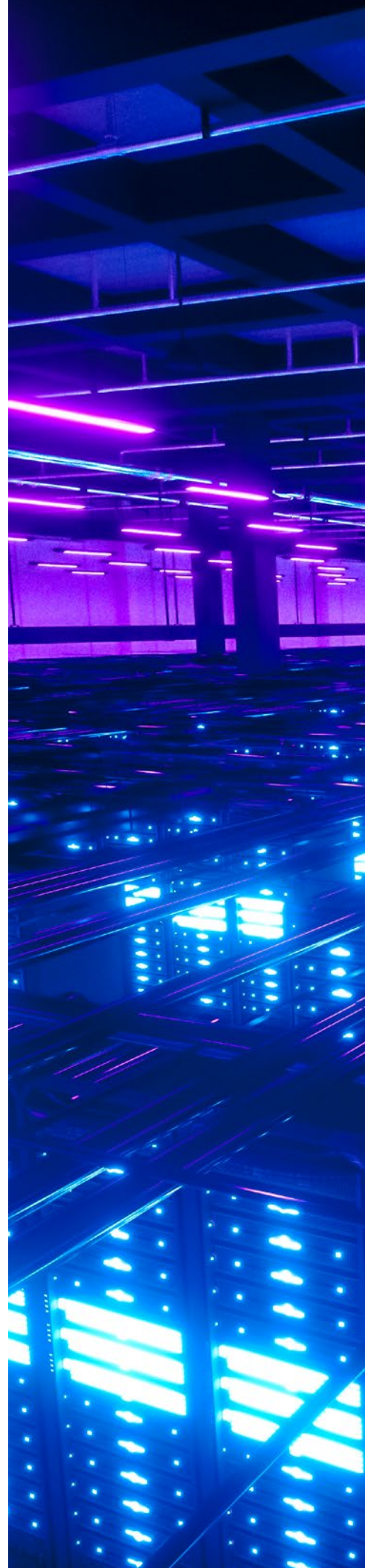
Through a data-driven and analytics approach, Aon’s Intellectual Property Solutions support clients across size and industry in protecting against alleged patent, copyright, trademark and other intellectual property infringement claims. Aon’s Intellectual Property Liability group can place global intellectual property liability risks, with a primary limit of indemnity insurance up to \$120M, offering the following cover:

- Certain litigation expenses, settlements and damages
- Coverage for intellectual property-related contractual indemnities provided to third parties
- Certain emergency costs incurred before an insurer can be notified
- Client’s choice of counsel
- Options for coverage for an entire product portfolio or for specific products, processes and services


Portfolio Solutions for Private Equity

Operational improvement is growing as a critical aspect of value creation in the private equity portfolio. In leveraging your portfolio's buying power, we can identify opportunities to enhance your returns and improve your balance sheet. Aon works with you to unlock the full value in your portfolio by leveraging data and creating business intelligence.

From designing new solutions tailored to your company's unique needs to conducting diagnostics on your portfolio assets, Aon can help drive value across your portfolio.







"I continue to be impressed with **Aon's efforts as a thought leader.**

It has **developed the market** rather than just participated in it. In my mind, that is **what differentiates** Aon from the other competitors."

— M&A attorney from an
AmLaw 100 law firm

The Aon Advantage

Aon offers a broad suite of M&A advisory solutions. We have helped more firms realize deal success than any other company in the industry. Aon's M&A and Transaction Solutions team has been leading the creation and advancement of M&A risk and insurance solutions for the M&A industry. Comprising senior M&A and tax lawyers, senior M&A leaders, health & benefits professionals, and cybersecurity and intellectual property professionals, we bring a depth of knowledge and passion for developing tailored solutions to your complex deal risks that is unparalleled in this industry. We know firsthand that the timing and sensitivity of a deal are paramount to its success and work closely with your deal team and our insurance providers to advise and execute solutions that improve your deal outcomes.

With our passion for developing new and creative solutions and globally coordinated teams, we can help you assess and manage deals across industries and across the globe at every stage of the deal lifecycle.

Equally important, we are fully dedicated to 24/7 responsiveness for every client. We work with other stakeholders to help ensure risks are uncovered and protected. With Aon, you have an experienced, trusted partner to help you do what you do best — maximizing investment returns in today's rapidly evolving markets.

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M&A insurance leader by the amount of limits placed and number of policies written



Risk, Insurance and Human Capital Diligence provider



300+

Dedicated M&A specialists with diverse backgrounds

9,000+ Deals

Across M&A solution set since 2012



\$43.1 Billion

Amount of transaction liability insurance limits placed globally in 2020



Over 40

former practicing M&A and tax lawyers dedicated to the Transaction Solutions practice

60+

Largest intellectual property team in the industry, including 5 named in IAM's Top 300 Strategists

"A good broker on the buy side for M&A insurance is critical. Having Aon on your team will ensure a smooth underwriting process during the always chaotic lead up to the signing of an M&A deal. They also have significant bargaining power over the insurance carriers given their market position, and they'll go to bat for you when needed to maximize coverage."

—Leading M&A Law Firm (Ranked by Thomson Reuters & Bloomberg)

To learn how Aon can help you secure assets and maximize returns, contact:

If you have any questions about your specific coverage, or are interested in obtaining coverage, please contact your Aon broker.

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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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