



Insurance | Risk Management | Consulting



Mergers and Acquisitions Checklist

When considering a merger or acquisition, it is imperative to perform due diligence on the company being acquired in order to get the most accurate representation of the company. Knowing as many details as possible, knowing where to go to find those details and asking the right questions will help you stay on top of current and potential risks associated with taking on the company.

General

| General | Yes | No | Comments |
|--|-----|----|----------|
| Letter of intent and definitive agreement | | | |
| Notes from all board of directors meetings within the last five years | | | |
| List of jurisdictions in which the company is registered to do business | | | |
| Locations of company offices and remote staff | | | |
| Names under which the company has done business | | | |
| Past ownership records, including previous mergers, acquisitions and/or changes in control | | | |
| Stock certificates and the stock transfer ledger | | | |
| Marketing collateral for company: Labels, packing, advertising and promotional materials for products and services | | | |
| Business relationships and partner contracts | | | |
| Shareholder contracts | | | |
| Logistics contracts | | | |
| Powers of attorney | | | |
| Material supply or requirement contracts | | | |
| Government contracts | | | |
| Records of oral agreements | | | |

Risk Management Considerations

| Risk Management | Yes | No | Comments |
|-----------------------------|-----|----|----------|
| Disaster recovery plans | | | |
| Information security policy | | | |

| Liabilities | Yes | No | Comments |
|--|-----|----|----------|
| Schedule of credit agreements, credit lines, letters of credit | | | |

Correspondence between the company and lenders during the past __ years

List of accrued liabilities

| Litigation | Yes | No | Comments |
|--|-----|----|----------|
| Any laws, regulations, rules or ordinances that the company has received notice of possible noncompliance with | | | |

All notices and reports of violation or infringement of government regulation by the company

Any letters from lawyers pertaining to any litigation or legal proceedings in the past __ years

Schedule of all licenses, permits, registrations and clearances obtained by the company

| Insurance | Yes | No | Comments |
|----------------------------|-----|----|----------|
| List of insurance coverage | | | |

Loss and claims records for the past __ years

Any potential uninsured or underinsured risks

Changes in coverage within the last __ years

Up-to-date records of actuarial evaluations

| Environmental | Yes | No | Comments |
|--|-----|----|----------|
| Record of compliance with all federal and provincial environmental regulations | | | |

Record of process for storing and disposing of hazardous materials

Past or current remediation efforts

Environmental permits

Employee Benefits Considerations

| Human Capital | Yes | No | Comments |
|-------------------|-----|----|----------|
| Employee census | | | |
| Employee handbook | | | |

Payroll/benefits administration/HRIS details

| Benefits | Yes | No | Comments |
|--|-----|----|----------|
| Benefit summaries | | | |
| Billing statements | | | |
| Current rates and contributions | | | |
| Current renewals | | | |
| Open enrollment guides | | | |
| Insurance contracts for any policies on executives | | | |

| Compliance | Yes | No | Comments |
|---------------------|-----|----|----------|
| 5500 filings | | | |
| Retirement | Yes | No | Comments |
| Basic plan document | | | |
| Adoption agreement | | | |

In addition to these risk management considerations, we encourage you and your team to thoroughly review other critical areas such as potential risks from customer & vendors, any physical and intellectual property considerations, or potential issues with labor & personnel. Gallagher Private Equity M&A team can assist with the due diligence needed to enter into negotiations fully aware of potential impediments to getting the deal done.

Gallagher’s global Equity M&A team and expertise have provided insurance, risk management and human capital solutions for all types of investors and investment structures. We address exposures during all stages of investment cycle, including:

- Fund protection. We help manage litigation risk through insurance to protect your investments.
- Transaction support. Our due diligence process uncovers exposures and provides risk transfer solutions.
- Portfolio management. We have solutions that accommodate all aspects of management of investments.
- Restructuring and exit. Our team uncovers risk during a period of change for your investments, so you are protected throughout the process.
- Transactional risk solutions. We create risk management solutions that protect the buyer and the seller throughout the transaction.

This document is not meant to replace legal counsel in the event of a merger or acquisition; it is merely a starting point of factors to evaluate. Not all factors have been covered here and, because of that, an additional evaluation may need to be conducted.

The Gallagher Team has the expertise to support risk management and human capital advice through all stages of investment from fund formation to vetting to exit. This grounded expertise and global network provides us the ability to work across all industries and regions to serve you better. We encourage you to contact our team for information to know your options to facilitate your upcoming transactions.

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