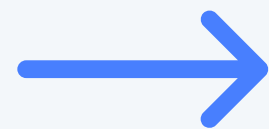


Sell-side M&A

Covenants That Keep Deals On Track

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Operational Stability Covenant

Prevent Business Disruptions: Sellers must operate in the ordinary course, prohibiting major operational changes (like layoffs or large asset purchases) without buyer consent. This ensures the business stays intact from signing to closing.

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Buyer Financing Covenant

Proof of Funds on Day One: We require buyers to provide committed financing documentation upfront, minimizing the risk of last-minute financing collapses that delay or kill the deal.

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No New Debt or Liabilities

Lock Down Liabilities: Sellers cannot take on new debt or material obligations during the transition period without buyer approval. This avoids any hidden liabilities surfacing post-close.

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Working Capital Adjustment

Precise Working Capital Targets: We define strict working capital targets and mechanisms for adjustments. This avoids disputes over cash flow post-closing and ensures smooth transitions in the business's financial health.

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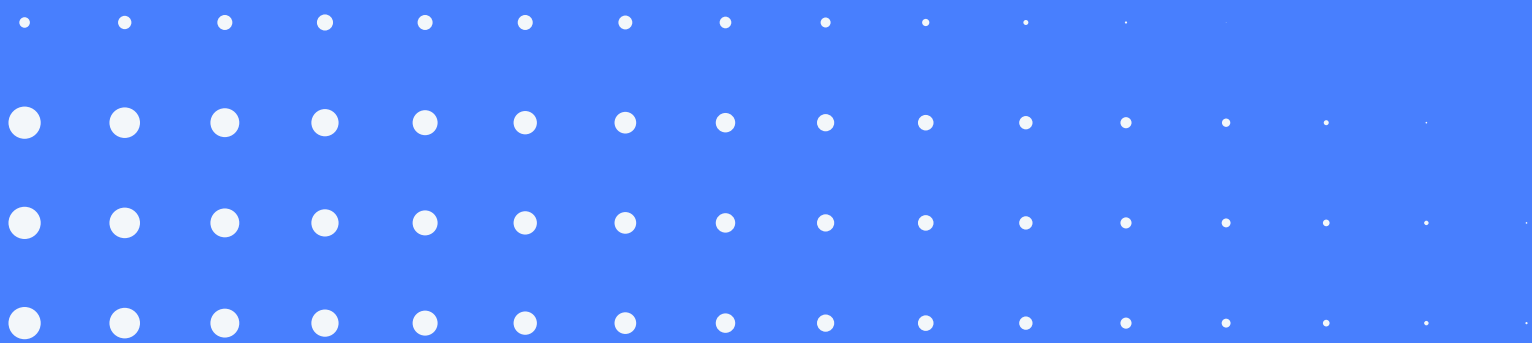




Non-Solicitation and No-Shop

Lock in Buyer Commitment: We implement no-shop clauses to prevent the seller from negotiating with other buyers and non-solicitation clauses to protect the workforce. This eliminates distractions and secures the buyer's focus.

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Earnout Governance

Tighten Earnout Control: If an earnout is involved, we negotiate clear governance clauses, including buyer reporting obligations and seller access to information that affects earnout metrics. This prevents manipulation of post-close results.

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Regulatory and Compliance Covenants

Regulatory Approvals with Accountability:
Both parties must cooperate to secure all necessary regulatory clearances, with detailed timelines and responsibilities. Missed approvals can derail deals if not managed tightly.

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