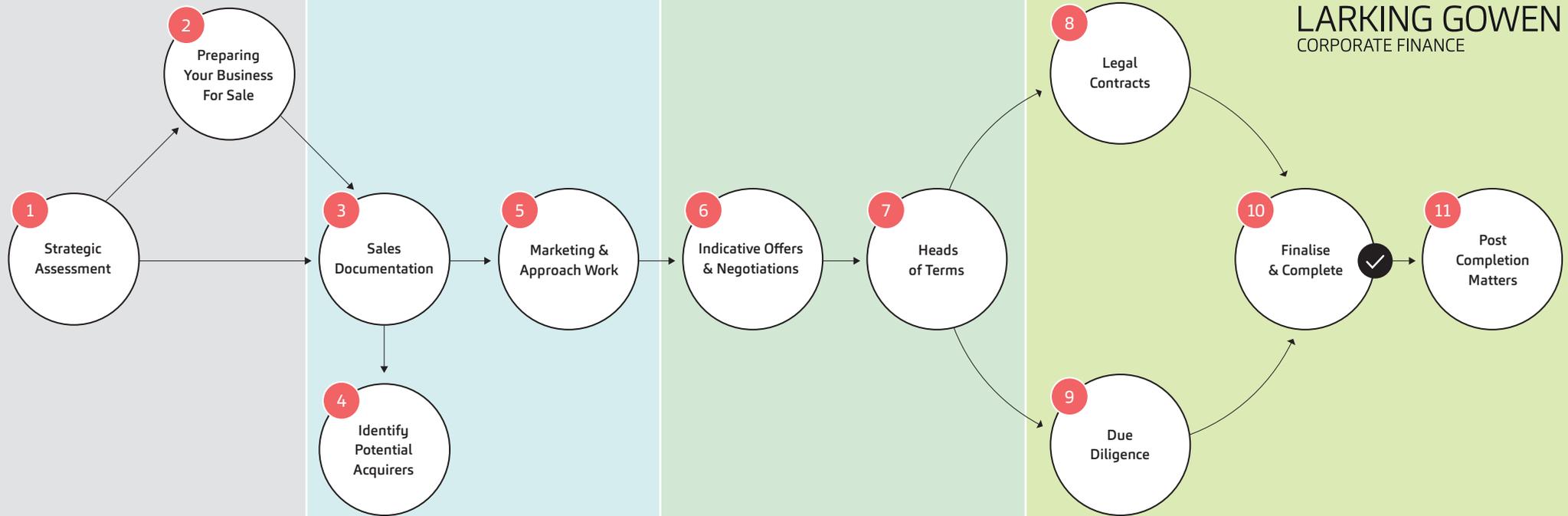


# The selling process



## Maximising value

### 1. Strategic assessment

The first step is for us to understand the background to your business, its likely attractiveness to potential purchasers and your longer-term strategic objectives. In addition to a possible sale to an external investor, we will consider the viability of other exit options, including a management buy-out and / or company buy-back of shares.

### 2. Preparing your business for sale

To maximise the attractiveness of your business, nullify any potential 'deal breakers' and identify and implement tax planning opportunities, we offer our clients a pre-sale due diligence service. Our findings and recommendations are presented in a written report, and the pay-back from this work is often substantial.

## Documentation & approach work

### 3. Sales documentation

To help in gaining interest from possible purchasers, and without revealing its identity, we will prepare a one-page 'teaser' document aimed at highlighting the key attractions of your business. In addition, we will put together a full sales document, often referred to as an Information Memorandum (IM), which sets out the identity, background and key merits of your business. These documents are always signed-off by our clients so you have complete control.

### 4. Identify potential acquirers

Utilising our comprehensive deal databases and specialist industry reports, we will agree with you a list of highly credible potential purchasers. Where appropriate, this will include private equity firms and overseas acquirers.

### 5. Marketing & approach work

Using the teaser document, we will approach potential acquirers and invite them to sign a Non-Disclosure Agreement (NDA). We will also confidentially advertise your business for sale using our regional, national and international networks. Only those parties that sign and return a NDA will obtain a copy of the IM.

## Negotiations

### 6. Indicative offers & negotiations

We will compare and contrast the offers received for the business and provide you with calculations of the likely net proceeds after tax. Working on your behalf, we will negotiate with potential acquirers, with the aim of maximising the terms of any offers to ensure you get the best result.

### 7. Heads of terms

Once a deal is agreed in principle, the main terms are set out in a short document, often referred to as Heads of Terms or Heads of Agreement. This is not usually legally enforceable, although clauses covering confidentiality and exclusivity usually are.

## Deal completion

### 8. Legal contracts

Using Heads of Terms as a guide, the buyer's solicitor usually prepares the legal contracts needed for the deal. This will include the agreement of warranties and indemnities given by the seller to protect the buyer after the deal has completed. It is not unusual for several drafts of these legal documents to be prepared before negotiations are agreed.

### 9. Due diligence

It is highly likely that the buyer will wish to undertake some due diligence on the business so they can understand exactly what they are acquiring. We are on hand to help field and answer any enquiries made by the purchaser's team and can provide a physical or virtual data room if needed.

### 10. Finalise & complete

In order to reach a swift and efficient deal completion, we will work with your appointed solicitor and give advice on the financial aspects contained within the legal documentation, including warranties and indemnities.

### 11. Post completion matters

Depending upon the mechanics of the deal, there may be a need for accounts to be prepared after the deal has completed. We can assist with the preparation of these accounts, and agree any adjustment to the final sale price. If needed, we can also help with ensuring the sale doesn't impact financially the operations of any other businesses you may own.