



PREPARING FOR AN M&A

Is Your Organization Ready?

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INTRODUCTION

A few of the most common mistakes in M&A transactions include poor due diligence, quantifying value in the wrong way, and not getting comfortable with the integration.

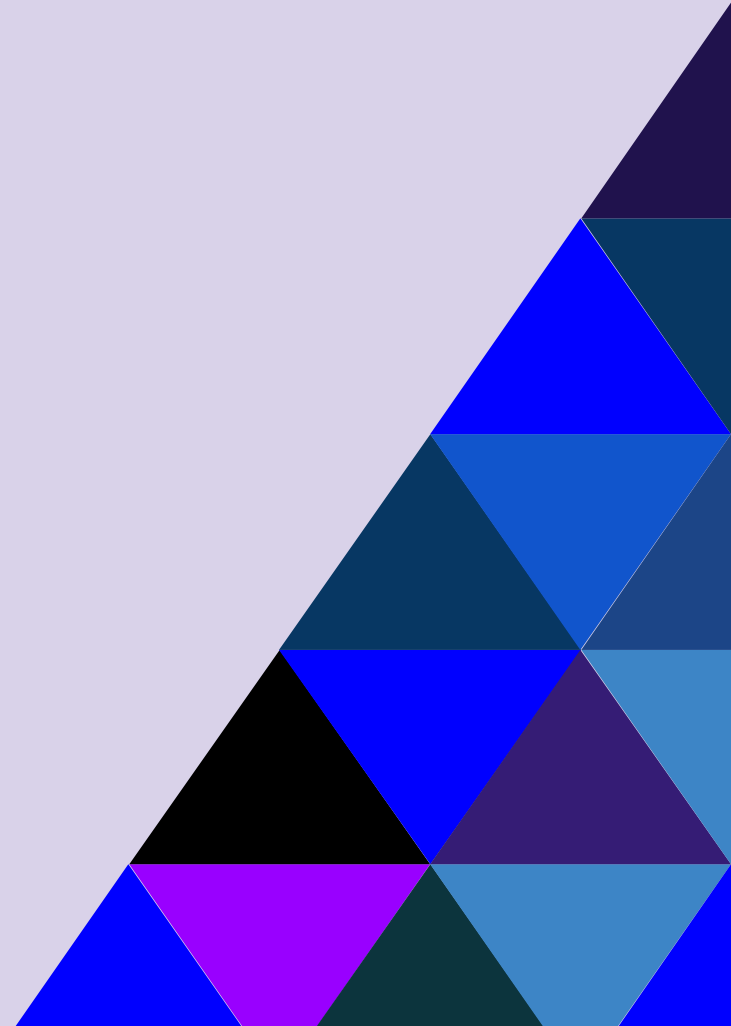
When planning an acquisition or divestiture, companies need a wealth of information in short periods of time. The same information needed for investors, tax regulators and service providers is also required by everyone else. It's easy to share data spreadsheets, but getting a clear picture of the “big picture” is hard without proper recordkeeping.


It is important to have records of your company in order. Organizational structure, current policies and procedures, operational procedures, investments and information on major stakeholders will come in handy at a time like this.

If you are currently unprepared for a private-equity firm to conduct a due diligence of your company, then it is likely that several weeks have passed since you last looked at basic legal documents.

It is important and prudent to have a thorough review of all corporate records looking at the details that would affect an M&A. An experienced team of Corporate Secretarial professionals will help you navigate every step of the way.

The M&A process starts months before the actual deal is closed. You would want to be very alert and keep the records of your business in order during this time. Have you started organizing your boardroom yet?





A. Here's A
Checklist
To Guide
You

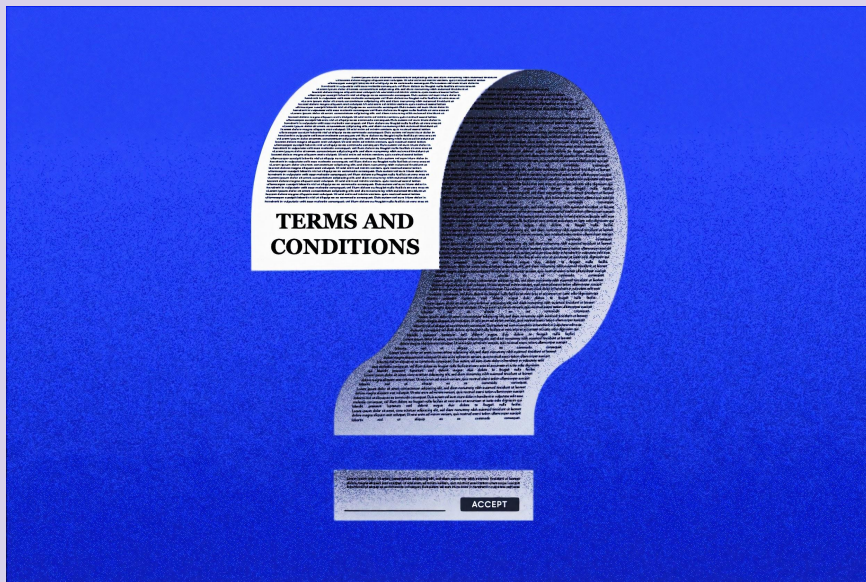
1. Keep and request for a Records of Stockholders and Board of Directors
2. Have a repository of agreements and contracts indicating which is recurring, One offs , Renewables, Due for review , obligations pending, Receivables due.
3. Organize all your Financial data (Tax too) in a concise manner. Include information concerning your Financing rounds, Assets and Liabilities.
4. Make a list of all Intellectual property your organization owns including Fictitious Names and Trade names. Ensure your IP in all registered jurisdictions.
5. Have your Non-Disclosure Agreement template ready.!
6. Get your Incorporation (formation) files and documentation ready. They should include:
 - Certificates of incorporation and amendments (if any)*
 - Any bylaws or regulatory instruments and their amendments*
 - If registered in more than one country, same as above*
 - Founders/Partnership Agreement*
7. Have a Compliance standing order updated regularly ... in all jurisdictions you operate in.



B. To ensure you and your team have a smooth sailing transaction, it's imperative to make sure your company is properly set up.

When preparing for an M&A, boards should ensure that the ensuing process is seamless and corruption-free through documenting key organizational information, records, and data.

1. Be sure to keep all these documents in one place, you don't want to be scrambling for them when a deal starts to go bad.
2. There are many stakeholders involved in an M&A – board, management, employees, and acquirer. Make sure you have your bases covered.
3. Update your business entity, contracts, policies and compliance documents. Get it done right and avoid problems down the line.

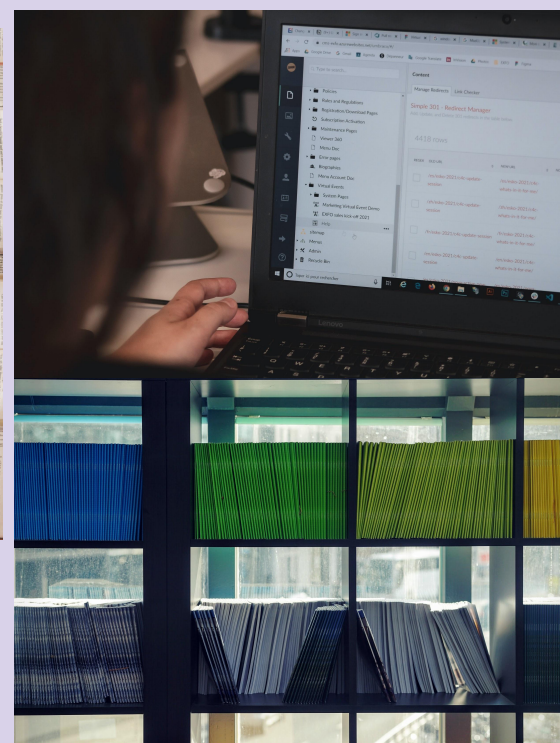


C. Due Diligence

M&A is a complex process. As such, organizations often get overwhelmed when trying to mitigate risks associated with it. Business Associations can be a complex field to navigate. Staying organized can help to reduce risks when dealing with mergers and acquisitions.

D. Do Your Homework. Undertake Outstanding Research On The Company

Preparation and careful analysis are the cornerstones of success. Companies change hands every year. The procedure is not complex, but you should know that you will be involved from the beginning of the process to its end. You need to stay organized and maintain current records so you can pass them on as required.



E. Evaluate Documentation

In most cases, an acquisition is an expensive purchase and results in higher risks for investors. This is why it's critical to thoroughly review all the corporate records and documentation that will govern the company's future.

In many cases, documents and agreements become critical parts of a merger or acquisition process. If they are missing or corrupted, there can be expensive consequences.

Some details and documentation you want to look at include: *records of stockholders and Board of Directors, all existing agreements and contracts, financial data (Tax too), Intellectual property, any pending litigation, employee benefits and contracts, legal & regulatory compliance, charter and organizational records.*



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#BoardroomswithMojola.

With specific focus on foreign participation, private equity, debt capital, finance and advisory, Mojolaoluwa has built a reputation as the go-to for foreign participants seeking legal guidance and insight into the Nigerian commercial sphere.

Mojolaoluwa Olaifa, founder and lead consultant of Zyden Legal, has carved a niche for herself in providing legal support in subject matters such as Corporate Governance & Strategy, Cross-border banking services and tripartite banking structures, Finance, Capital Market Investment, Private Equity and Debt Management to her clients, who are spread across over Africa, Asia, Europe and the United States of America.

She alongside her team of nine (9) outstanding legal experts are currently focused on helping Start-ups and Corporations in Africa build board structures that reflect global best practice and equipping senior executives with insights on ESG and application of these in Governance.

Mojolaoluwa is a recipient of the prestigious Top 100 Global Modern Governance Practitioners for the year 2020, USGEEA Alumnae, Associate Fellow of the Royal Commonwealth Society, alumna of the USAID Young African Leaders Initiative (YALI) Accra Regional Leadership Centre and she now stands as a fellow, an Ebedi International Writers' Residency Fellow and the Legal Strategist of Ola Up Foundation for African Development.