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**Letter of Intent (LOI) – Process Letter**

**LOI Deadline – due\_date**

The LOI should be submitted via email to:

Closer: name\_1 – email\_1

Closer: name\_2 – email\_2

[Today’s Date]

Thank you for your interest in [Company’s Name] (the” Company”). Woodbridge, a Mariner Company (“Woodbridge”) has been retained by the Company to pursue the sale of the business through a competitive process. You have received Confidential Information regarding the Company. Confidentiality is extremely important, and we remind all parties to respect the terms of your signed Confidentiality Agreement (“CA”).

We intend to conduct the sales process in a manner that minimizes disruption to the Company. As stipulated in the CA, Woodbridge shall be the sole point of contact and is prepared to assist prospective purchasers in the review of all relevant materials. No employee of the Company (or any affiliates, officers, directors, employees, customers, or suppliers) should be contacted directly unless previously approved by Woodbridge.

We request that you provide as much detail as possible. At a minimum, please address the following items in your submitted LOI:

1. **Purchase Price & Key Financial Terms:** The total consideration, and details of any non-cash consideration components, that you would pay to acquire the Company on a cash-free / debt-free basis (Enterprise Value). Key financial terms regarding the timing of all consideration payments; description of any equity or debt to be issued to either the seller or management.
2. **Percentage Purchased:** If you are proposing to purchase less than 100% of the Company, then please provide details on the proposed structure and confirm that any retained or rolled seller equity would be on a pari passu basis with the buyer’s equity.
3. **Assumptions & Certainty of Close:** Any key assumptions on which your offer is based. Strong weighting will be given to the buyer that can demonstrate a high certainty of closing on time and under the terms of the negotiated LOI. Clear indication should be given if there are any areas of uncertainty or concern that could impact your ability or willingness to close the transaction as proposed in your LOI**.**
4. **Equity & Debt Financing:** Details on identity and commitment level for assumed Equity & Debt financing sources including commitment letters and any contingencies thereto. Provide a proposed Sources and Uses table outlining the sources of funds to consummate the Transaction and how those funds will be disbursed (e.g., cash to Seller, transaction fees, etc.).
5. **Management Transition & Roles:** Please describe your preferred post-closing role and employment duration for the management team.
6. **Net Working Capital (“NWC”) Target:** The Company anticipates that the NWC Target will be based on a historical average cash-free, debt-free NWC. Based on the information provided in the most recent Company data book, please provide your proposed NWC Target. We understand that this will be subject to further refinement post-LOI as you complete your financial Confirmatory Due Diligence but understanding your position with respect to the NWC Target now is an important component of evaluating your LOI.
7. **Stock vs. Asset Taxation.** Preference is that this be completed and taxed as a stock sale. If proposing to treat a stock transaction as an asset sale or asset equivalent for tax purposes, then please indicate if any consideration would be given to selling shareholders to true-up or offset the tax difference to the selling shareholders had the transaction been taxed as a stock or equity sale instead.
8. **Purchase Agreement:** With the submission of your LOI, please summarize key contract terms, including choice-of-law provisions, indemnification expectations and details regarding timing, limitations and carveouts, baskets, caps, etc., and any other key financial terms. Please note that a first draft of the purchase agreement will be expected from the Seller within 14 days following the execution of an LOI.
9. **Rep & Warranty insurance:** If proposing to use Rep & Warranty insurance (RWI), please indicate if the buyer is paying for the policy and describe proposed terms relating to the retention and other factors of the intended RWI policy. If not using RWI, then please indicate the dollar amount and/or percentage of your proposed indemnity escrow and timing for its release.
10. **Confirmatory Due Diligence:** Please describe anticipated confirmatory diligence work streams (e.g., Quality of Earnings, IT, Insurance, Environmental, etc.) and which third parties have or will be engaged. Please be advised, confirmatory diligence request lists should be provided to Seller and Woodbridge within five (5) days after the execution of the LOI. It is our goal to have a major confirmatory diligence streams completed in the first 30 days of granting exclusivity.
11. **Approvals and conditions:** Any other conditions upon which a final binding offer to acquire the Company would be subject, including shareholders’ approval, financing, competition/anti-trust or other governmental or regulatory approvals, and how any significant issues of this nature would be addressed, including the timing thereof.
12. **Timing & Closing Date:** Please include a proposed closing date in your LOI and an associated timeline for closing the transaction within an anticipated exclusivity period. Please identify any other material conditions or contingencies that must be resolved to consummate a transaction consistent with that timetable.
13. **Weekly All-Hands Calls and VDR Acknowledgement:** Please acknowledge the acceptance of having short weekly All-Hands calls post-LOI. These will take place every week during the confirmatory diligence process until closing with representatives of both the Buyer’s and Seller’s advisors and service providers. Purpose of this call is to calibrate progress on a weekly basis by responsible party against the agreed closing timeline. Please acknowledge that you and your advisors will use Dealroom, the virtual data room service used by Woodbridge.
14. **Other:** Any other matter that you consider to be relevant to the Company and Woodbridge in determining the choice of purchaser.

*The Company expressly reserves the right, in its sole and absolute discretion, to negotiate with one or more prospective buyers at any time or to enter into a definitive agreement for a sale, merger or other strategic transaction without prior notice to any of the interested parties. The Company and its representatives reserve the right in their sole discretion to amend, accelerate, delay, or terminate this process, to terminate discussions with any or all interested parties, and to reject any or all LOI’s at any time for any or no reason. The Company will have no liability to any potential purchaser as a result of the rejection of any LOI or the acceptance of another LOI at any time. Each prospective purchaser will bear all of its respective costs in connection with this process, including without limitation all costs of its own investigation and evaluation of the Transaction, fees and disbursements of its own counsel, advisors, and agents, etc.*

Feel free to reach out to me with any questions. We appreciate your efforts and look forward to receiving your LOI soon.

Sincerely,

*name1\_2* *name2\_2*

Woodbridge, a Mariner Company Woodbridge, a Mariner Company

[Closer 1 Name\_3] [Closer 2 Name\_3]

[Closer 1 Title] [Closer 2 Title]

[Closer 1 Number] [Closer 2 Number]

Timeline Examples:

Please add a more granular timeline to your LOI – please see a mock timeline example below

| Deliverables | Expected Completion | Owner |
| --- | --- | --- |
| LOI Signed | [LOI Due Date +7] | All Parties |
| Confirmatory Due Diligence | [Add date] | Buyer |
| QoE Kickoff | [Add date] | QoE Firm |
| Site Visit | [Add date] | All Parties |
| 1st Draft Purchase Agreement | [Add date] | Buy-side Counsel |
| QoE Completion | [Add date] | QoE firm |
| Closing Checklist | [Add date] | Buy-side Counsel |
| Ancillary Legal Docs | [Add date] | Buy-side Counsel |
| Disclosure Schedules | [Add date] | Woodbridge |
| Close Date | [LOI Due Date +67] | All Parties |