

## LUMINANCE DILIGENCE USE CASE

# Marketing Intelligence Reviews: Credit Agreements & SPA Agreements

Market intelligence reviews collect information relevant to a company's market opportunities; review document trends, and aim to form an understanding of competitors' activities or monitor the behaviour of customers. In conducting such a review, lawyers will typically look at a number of key clauses and compare changes within the wording of these clauses across a wide range of previously agreed documents within a given time period. For lawyers, being able to provide market intelligence and insight to their clients is of high legal and commercial value – not only can this lead to new profit opportunities for the firm itself, but it can further boost relationships with clients who feel confident that their firm is fully aware of developments within their field, and thus can provide the most insightful, responsive advice.



## Using Luminance to provide additional services and create new revenue opportunities

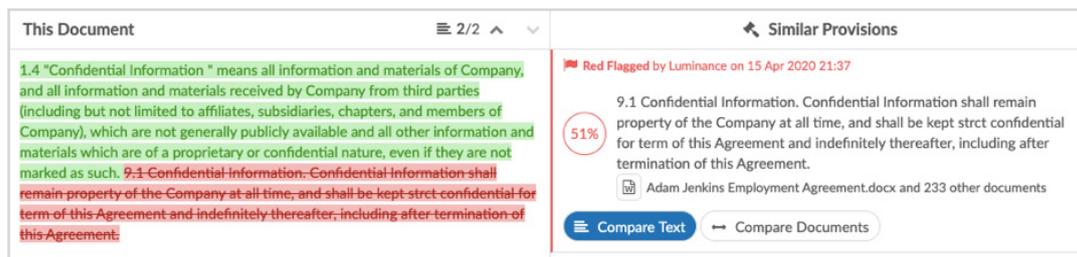
Some firms have been using Luminance to conduct market intelligence reviews which they can offer to clients as a chargeable service. The Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA) develop best practice and standard loan documentation for the European and North American loan markets, respectively. These framework agreements are under constant review by the LMA and LSTA with centralised changes made in reaction to changes in law and regulation. One of Luminance's European customers recently sought to collect and report on market changes over time; specifically, they wanted to look at a particular type of LMA Agreement to assess variations in hundreds of key clauses and definitions, such as changes in break costs. This was to address possible client questions on trends, areas of risk and opportunities. By providing market analysis data to clients, the firm was able to better serve their existing client base with new product offerings, and in turn generate new profit opportunities.

The power of Luminance's machine learning to read and form an understanding of their documents transformed the way the firm approached the process of gathering this intelligence. The firm was reviewing vast quantities of clauses and data points within loan agreements. This previously required a team of paralegals having to open and read these pdf documents one-by-one, answering a series of over 300 questions about each document. Without Luminance, many organisations have limited or no resources to conduct large-scale market intelligence reviews.

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Or in other cases such as this, time and labour-intensive interrogation of the documents is required to find subtle differences in documentation. Indeed, in many cases, this service simply remains both unfeasible and unprofitable for the firm without technology. Using Luminance's Automatic Document and Clause Compliance functionality, users can select 'model' documents and clauses, and Luminance will quickly highlight the ways in which previous templated agreements comply and deviate from a user's chosen version or standard. Users can choose as many models as they wish to further expedite the process, with model versions of clause wording 'pinned' to the top of the review screen for quick and easy comparison. Luminance actually highlights the precise ways in which wording differs from one version of a templated agreement to another. Not only does this save vast amounts of time, but this gives firms the flexibility to deliver additional projects that were manually impossible or burdensome. Important documents and clauses can be compared against one another or against a client's chosen/industry standard; these could include LMA documentation, framework agreements and other standard agreements produced by industry associations, regulators, governments and unions.



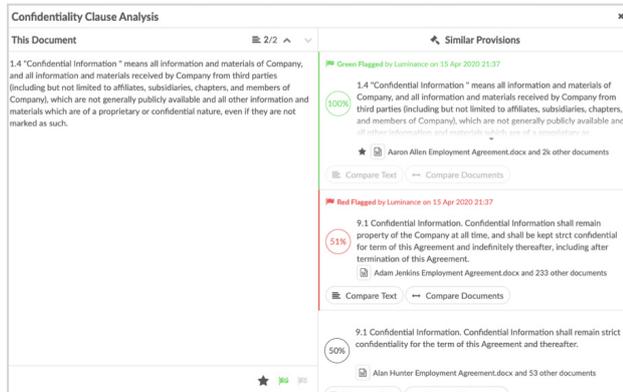
In fact, M&A lawyers have used Luminance to conduct market intelligence reviews in order to strengthen their negotiation position through improved insight, utilising their findings as a point of reference in negotiation discussion. With Luminance, lawyers are able to quickly drill down to key data points such as total deal value, sector laws and governing laws to quickly gain a general overview of the marketplace over the last year. Once the team has gained an overview, Luminance's automatic document and clause compliance feature can be used to help lawyers understand changes in specific clauses – this will help lawyers to gain a clearer picture as to what is being agreed to within the deals, and how this has changed over time. With full insight into terms agreed to previously, lawyers can make informed decisions about how to best protect their clients' interests in the future. Using Luminance, teams are able to conduct these reviews in a fraction of the time, ensuring that they are well equipped to fulfil their role of valued advisor, and deliver extra value for their clients.

## Using Luminance to gain a better understanding of trends in SPAs

Sales and Purchase Agreements (SPAs) are another area which provide fertile ground for lawyers to undertake market intelligence reviews. These legally binding contracts are between a buyer and seller and contain agreed upon conditions and obligations of a deal. SPAs, along with other kinds of semi-templated commercial agreements, can be easily compared against one another using Luminance's Automatic Document and Clause Compliance, which quickly highlights trends in historic deal documentation and contracts. With full insight into terms agreed to previously, lawyers can make informed decisions about how to best protect their clients' interests in the future.

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One of Luminance's customers identified the opportunity to deploy Luminance on a review of SPAs in order to develop a deep understanding of market trends with respect to specific clauses, determining what clauses are typically negotiated beyond what is standard. The firm used Luminance's Automatic Document and Clause Compliance to identify different versions of a clause that they saw across all their SPAs from the previous year.

This exercise could then be repeated year on year, giving the firm a competitive edge in the industry. By taking advantage

of Luminance's machine learning which allows for instant comparison across entire datasets, no matter how vast, law firms can give a detailed oversight of the marketplace allowing clients to easily track changes and trends, adapting their agreements accordingly. Comparison can take place over any kind of document: from SPAs to Definitive Purchase Agreements and Non-Disclosure Agreements, Luminance is able to quickly reveal trends within historic contractual data. This adds significant value to the lawyer/client relationship: by taking a proactive approach to client services, and by understanding general trends within the market, a firm can robustly assert how far they would negotiate on certain points for their client. This type project would usually be expensive, resource intensive and time consuming, but using Luminance legal teams are able to complete them quickly and easily, in turn gaining a granular understand of the market they operate in.



**"Luminance's technology allows lawyers to be the trusted advisors they trained to become."**

Steve Cooke, Senior Partner

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Luminance's powerful Automatic Document and Clause Compliance is empowering lawyers to undertake more comprehensive and proactive market intelligence reviews with greater insight and confidence than ever before. Worldwide, Luminance's technology is empowering firms to undertake projects that were previously manual and offered little profitability. Using Luminance organisations can offer a broader range of services, consolidating customer relationships and meaning clients are less likely to shop around as they are happy with a firm that can provide quicker, confident and more insightful advice all in one place.



# Luminance Project Guide

## Market Intelligence

### Scenario

You are a lawyer working in the Banking & Finance team of an international law firm. You are conducting an intelligence review of LMA agreements from the past five years. As there are thousands of agreements it is vital that the review is detailed, efficient and cost effective. This guide is applicable to market intelligence reviews of any type.

Given the time pressure and the volume of documents under review, you will be deploying Luminance's market-leading artificial intelligence technology to enhance the team's ability to complete this review as it is the only technology that can adapt to the timeframes required.



### Key Benefits

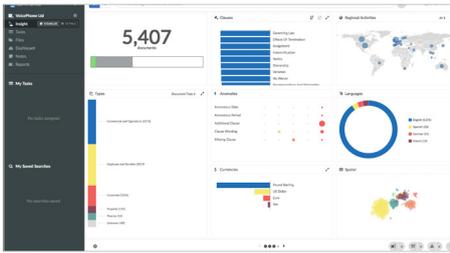
- ✓ Achieve significant time savings
- ✓ Quickly identify key provisions
- ✓ Achieve a more comprehensive review with confidence in the results

### Review Process

After the documents have been uploaded into Luminance, the workflow for conducting the review comprises 6 key steps:

1. Prioritise your project using the global overview of the data room
2. Assign documents to team members to redact via a Task
3. Analyse documents and clauses
4. Automatic Document and Clause Assessment
5. Add Notes indicating your analysis
6. Generate a report summarising your analysis and recommendations

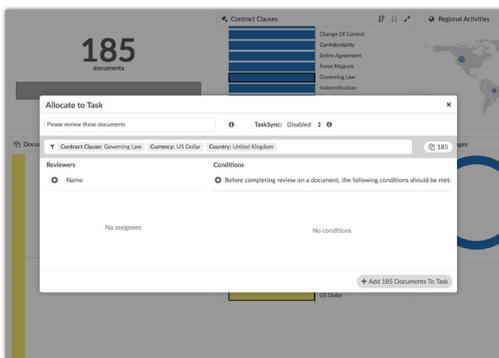
## Step 1: Prioritise your project using the global overview of the data room



Luminance's Insight Visualise provides lawyers with a global overview of the documents uploaded to the platform and the ability to drill down into the key clauses and concepts. Lawyers can understand the data room at a glance and are able to target their review immediately by identifying and filtering down to contract and document types, governing laws, languages, anomalies and more.

The intuitive, user-friendly interface allows users to identify the different documents types that will require specific, different and extensive review. Additionally, other information, such as the mention of certain countries, will also be presented from the Visualise screen.

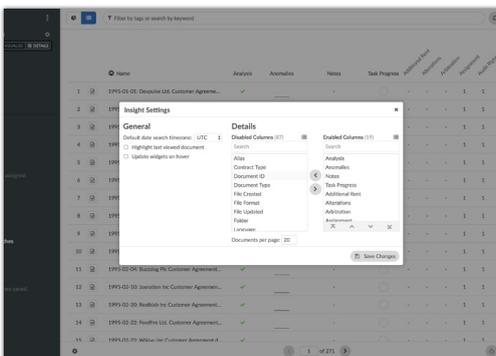
## Step 2: Assign documents to team members for review via Tasks



Using Luminance's project management tools, documents can be allocated into Tasks, allowing lawyers to focus their review. Users can filter down to a specific set of documents using their preferred criteria and allocate the documents to the relevant lawyer. For example, French language documents can be isolated and sent a French language speaker working on the review. Conditions can be included in Tasks which reviewers must satisfy when reviewing each document. For example, a Task could require team members to identify and review Interest, Repayment and Effects of Default clauses or indeed any provision important to your market review

Once allocated, the user reviewing the documents can click through documents which have been reviewed. As the lawyers move through the documents and continue their review, the Dashboard will be updated in real-time, meaning progress can be tracked throughout the review period. This means you can quickly see the documents you have already reviewed and focus on those you have not had a chance to look at yet.

## Step 3: Analyse documents and clauses



To review specific clauses within the documents you have been assigned, filter to the clause using the Filter Bar and view all the instances where the clause appears via the clause column in Insight Details. This allows you to rapidly move through the examples, removing the need to open each individual document.

For example, using the Visualise Screen, you could navigate to the documents that have a Voluntary Prepayment clause, under the 'Clauses' Widget. Opening the Insight Details screen, you can customise the page to show you the Voluntary Prepayment clauses using the Cog in the bottom left corner. If needed, you can quickly check all clauses here.

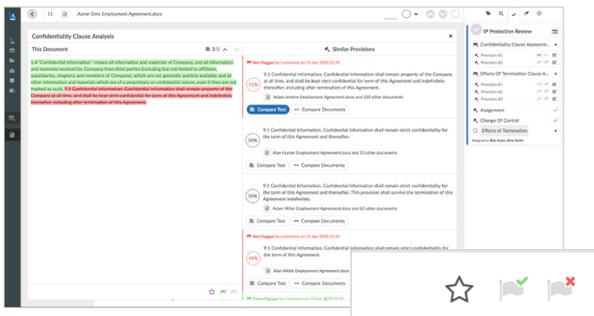


You may also wish to spot check the documents where Luminance has not identified a Voluntary Prepayment clause. To do so, clear the Filter Bar, and add in new filters: 'Not' + 'Clause' + 'Voluntary Prepayment'. You will then see all documents that do not have the clause identified by Luminance. You may then wish to add a word search on top of this. For example, 'the borrower may prepay' or other wording you understand for form part of a Voluntary Prepayment clause.

If you find examples of the clause, open the document to the search term, click on the relevant wording, select the **+** button to the left of the screen

and click the 'gavel'. Here you can type in the clause title 'Voluntary Prepayment' and Luminance will apply this label to the clauses. Luminance will suggest similar wording that exists within the document set and ask you if you wish those to be tagged as 'Voluntary Prepayment' also. To find clauses which Luminance hasn't identified, simply type relevant keywords into the search bar. For example, type 'remedies and waivers' into the search bar and Luminance will search across the entire project and present all instances where these keywords appears to the user via the search column in Insight Details. Once a clause or concept is identified, click on the page number to be taken to the relevant paragraph in Document View. When you add a tag to the clause (e.g. 'Remedies and Waivers'), Luminance will suggest similar paragraphs that exist within the document set that follow similar patterns in language, resulting in conceptually similar meanings. By selecting similar paragraphs, you are speeding up the time it takes to identify the concept across all documents.

## Step 4: Automatic Document and Clause Assessment



After identifying and tagging documents that contain relevant clauses, use Clause Assessments to compare multiple clauses within the context of your workflow: one click on any clause allows you to compare the clause in question with all the other forms of this clause that exist in the Assessment.

To do this, filter down to the documents within the scope of your review and create a task including these documents. As a condition of the task, select the clause that you would like to assess.

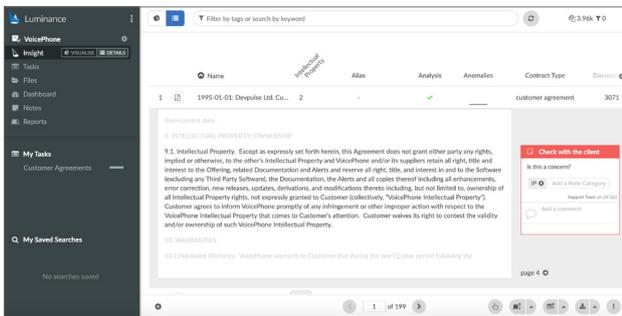
For example, you may wish to further assess the Voluntary Prepayment clauses within the agreement you are reviewing.

Once the task has been created you will be able to see on a percentage basis how similar each Voluntary Prepayment clause is compared to other examples of the clause in your review and where those differences exist with the provision.

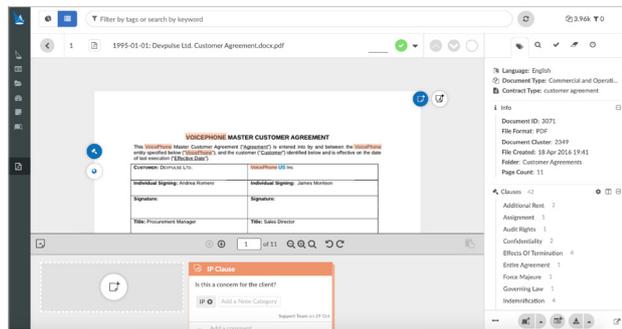
Moreover, you are able to Green or Red flag provisions depending on whether they meet the standard of your review.

In some use cases, it may be necessary for users to compare entire documents to one another. For example, you may want to compare all of your LMA Agreements to a model set of guidelines. By creating a Full Document Assessment, users may compare to model documents, presented in a side-by-side view, and cycle through each document in the review set.

## Step 5: Add Notes indicating your analysis



As you review the documents and clauses, add a Note to clauses to flag areas of interest to a colleague or include your analysis into a report later on. You can use Notes to categorise the issues as red, orange or green – these usually represent the severity of the issue.



You may wish to create a Note on a Voluntary Prepayment clause or indeed any clause of interest present in the document set. To do this, from the Insight Details screen, click the + over the clause of interest. This will then allow you to review all clauses of that type. Using the 'pencil' button beside the clause, you can write a note beside it. You may wish to give your note a Note Category for example if your Note relates to a data privacy point of concern then you may wish to label it 'Data Privacy'. Doing this will allow you to later filter down to specific categories within Lumiance and, should you wish, only include notes of a specific category or categories when creating a Report.

Notes can also be applied to similar paragraphs, across documents, in the same way as clause tags. When adding a note to a paragraph, hover over the Note icon and a second option will appear which will allow you to add the note to the same paragraph if it appears in other documents in the project. Changes to the title or content of a Bulk Note will apply across all the notes in the note family but comments will only apply to the specific note.

## Step 6: Generate a report summarising your analysis and recommendations



To generate a report that summarises your analysis and recommendations, filter to the relevant documents. In the bottom right hand corner, select the 'Reports' button. As this opens, select the information to include in the report. This report can then be downloaded from the 'Reports' page.