







PRIVATE TARGET M&A DEALS – NORTH AMERICAN COMPARISON

	US 2015 Deal Points Study* 	Canadian 2016 Deal Points Study 
Years	Deals which closed in 2014	Deals signed in 2014 and 2015
Number of Deals	117	101
Three Principal Industries	<ul style="list-style-type: none"> - Technology - Health Care - Financial Services 	<ul style="list-style-type: none"> - Chemical and Basic Natural Resources - Oil and Gas - Industrial Goods and Services
Deal Sizes	<ul style="list-style-type: none"> - \$17M - \$50M - 2% - \$51M - \$100M - 33% - \$101M - \$200M - 30% - \$201M - \$500M - 35% - Over \$500M - 0% 	<ul style="list-style-type: none"> - \$5M - \$50M - 41% - >\$50M - \$100M - 22% - >\$100M - \$200M - 17% - >\$200M to \$500M - 13% - >\$500M - 7%

* Throughout this Study, "US 2015 Deal Points Study" refers to the Private Target Mergers & Acquisitions Deal Points Study (Including Transactions Completed in 2014) released by the ABA Mergers & Acquisitions Committee in December 2015. When comparing the results of the US and Canadian private target deal points studies, readers should note that the US Study reported mostly stock deals, the smaller number of deals for which the information is available in Canada, the typical smaller deal sizes in Canada and the large percentage of Canadian deals in the resource sectors.





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Deals with Post-Closing Adjustments	86% (85% in 2013 US study) (82% in 2011 US study)	72% (73% in 2014 study) (70% in 2012 study)
Working Capital Adjustment Metric	83% (91% in 2013 US study) (79% in 2011 US study)	83% (70% in 2014 study) (70% in 2012 study)
Buyer Prepares First Draft of Closing Balance Sheet	85% (90% in 2013 US study) (86% in 2011 US study)	76% (61% in 2014 study) (52% in 2012 study)
Methodology – GAAP Consistent with Past Practices	35% (45% in 2013 US study) (42% in 2011 US study)	38% (39% in 2014 study) (41% in 2012 study)
Deals with Earnouts	26% (25% in 2013 US study) (38% in 2011 US study)	17% (25% in 2014 study) (21% in 2012 study)

* The "2013 US study" refers to the 2013 Private Target Mergers & Acquisitions Deal Points Study released by the ABA Mergers & Acquisitions Committee in December 2013. The "2011 US study" refers to the 2011 Private Target Mergers & Acquisitions Deal Points Study released by the ABA Mergers & Acquisitions Committee in December 2011.





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MAE Defined	99% (96% in 2013 US study) (97% in 2011 US study)	87% (88% in 2014 study) (83% in 2012 study)
Prospects Included	12% (17% in 2013 US study) (16% in 2011 US study)	30% (40% in 2014 study) (35% in 2012 study)
MAE is Forward Looking	91% (93% in 2013 US study) (97% in 2011 US study)	83% (77% in 2014 study) (62% in 2012 study)
MAE Carve Outs Specified	91% (91% in 2013 US study) (87% in 2011 US study)	77% (83% in 2014 study) (70% in 2012 study)
Economic Conditions	97% (98% in 2013 US study) (94% in 2011 US study)	97% (95% in 2014 study) (86% in 2012 study)
Financial Market Downturn	68% (69% in 2013 US study) (68% in 2011 US study)	76% (48% in 2014 study) (60% in 2012 study)
Changes in Accounting	79% (77% in 2013 US study) (78% in 2011 US study)	72% (48% in 2014 study) (48% in 2012 study)
War or Terrorism	85% (88% in 2013 US study) (82% in 2011 US study)	74% (55% in 2014 study) (57% in 2012 study)
Knowledge Standard Defined	97% (98% in 2013 US study) (96% in 2011 US study)	98% (90% in 2014 study) (83% in 2012 study)





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Target May/Must Update Schedules	42% (31% in 2013 US study) (37% in 2011 US study)	17% (17% in 2014 study) (20% in 2012 study)
Target Required to Notify of Breaches	60% (68% in 2013 US study) (66% in 2011 US study)	71% (53% in 2014 study) (57% in 2012 study)
No Shop/No Talk Provisions Included	90% (85% in 2013 US study) (83% in 2011 US study)	62% (62% in 2014 study) (42% in 2012 study)





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When Must Target's Reps be Accurate		
▪ When Made	63% (57% in 2013 US study) (59% in 2011 US study)	32% (26% in 2014 study) (18% in 2012 study)
▪ At Closing	100% (99% in 2013 US study) (100% in 2011 US study)	100% (99% in 2014 study) (100% in 2012 study)
Double Materiality Carved Out In Bringdown	80% (86% in 2013 US study) (77% in 2011 US study)	64% (18% in 2014 study) (16% in 2012 study)
Buyer's Stand-alone MAC Condition	75% (74% in 2013 US study) (76% in 2011 US study)	76% (78% in 2014 study) (56% in 2012 study)
Legal Opinion (non-tax) of Target's Counsel Required	11% (19% in 2013 US study) (27% in 2011 US study)	34% (40% in 2014 study) (45% in 2012 study)



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Sandbagging Provisions Included	44% (51% in 2013 US study) (46% in 2011 US study)	46% (29% in 2014 study) (33% in 2012 study)
▪ Pro	35% (41% in 2013 US study) (41% in 2011 US study)	31% (15% in 2014 study) (24% in 2012 study)
▪ Anti	9% (10% in 2013 US study) (5% in 2011 US study)	15% (14% in 2014 study) (9% in 2012 study)
▪ Silence	56% (49% in 2013 US study) (54% in 2011 US study)	54% (71% in 2014 study) (67% in 2012 study)
Express Non-Reliance Provision Included	40% (43% in 2013 US study) (33% in 2011 US study)	32% (43% in 2014 study) (48% in 2012 study)



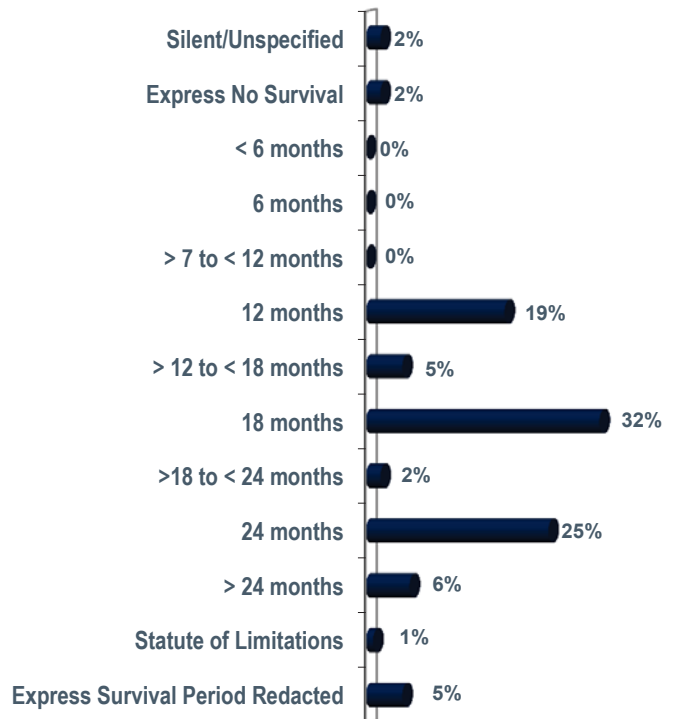
PRIVATE TARGET M&A DEALS – NORTH AMERICAN COMPARISON

(Survival Period)

US 2015 Deal Points Study





Canadian 2016 Deal Points Study





PRIVATE TARGET M&A DEALS – NORTH AMERICAN COMPARISON

(Baskets)

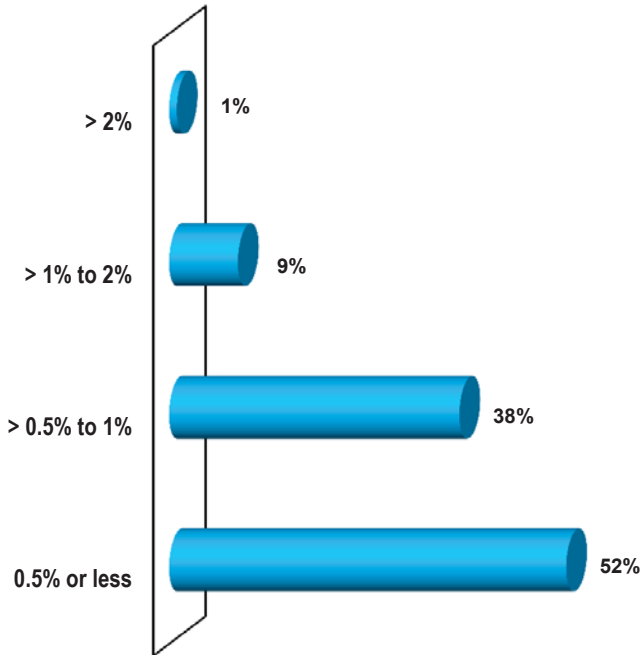
	US 2015 Deal Points Study 	Canadian 2016 Deal Points Study 
No Basket	2% (4% in 2013 US study) (5% in 2011 US study)	9% (8% in 2014 study) (20% in 2012 study)
Deductible	65% (59% in 2013 US study) (59% in 2011 US study)	41% (36% in 2014 study) (14% in 2012 study)
"First Dollar"	26% (32% in 2013 US study) (31% in 2011 US study)	45% (50% in 2014 study) (59% in 2012 study)
Combination (Threshold & Deductible)	7% (5% in 2013 US study) (5% in 2011 US study)	5% (6% in 2014 study) (7% in 2012 study)



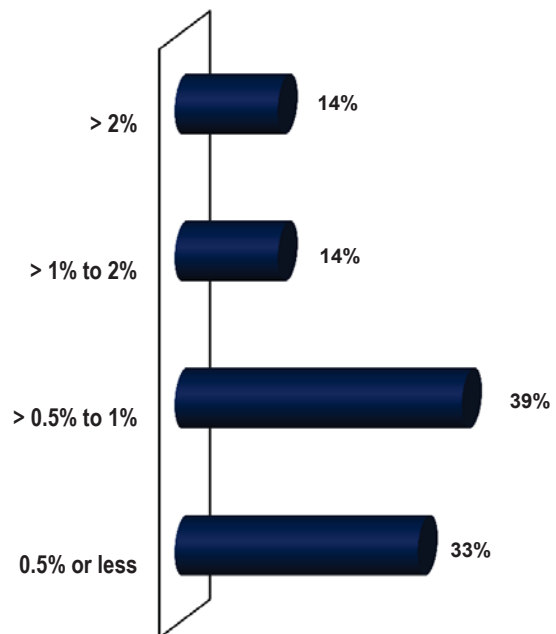
PRIVATE TARGET M&A DEALS – NORTH AMERICAN COMPARISON

(Baskets as % of Transaction Value)
(Subset: deals with baskets)

US 2015 Deal Points Study







Canadian 2016 Deal Points Study





PRIVATE TARGET M&A DEALS – NORTH AMERICAN COMPARISON

(Baskets as % of Transaction Value)

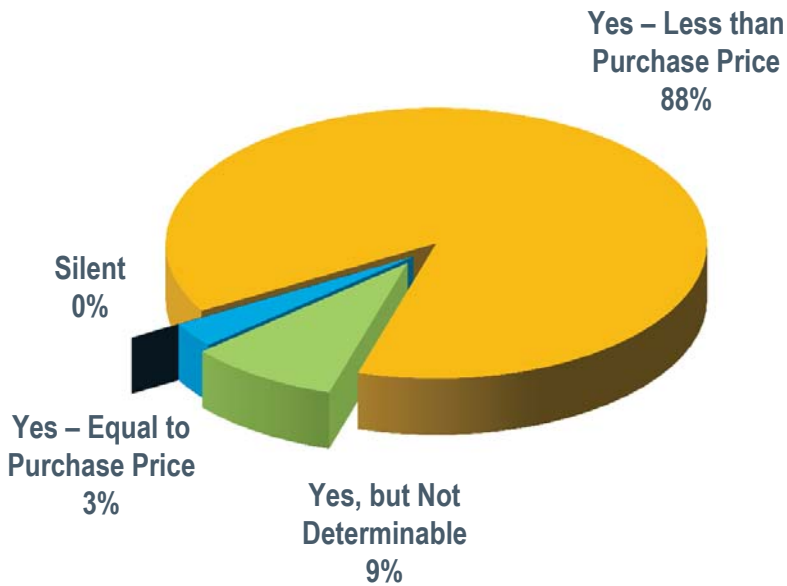
Basket Type		Mean	Median	Minimum	Maximum
Deductible	2015 	0.69%	0.50%	0.04%	4.20%
	2016* 	2.10%	1%	0.11%	20%
First Dollar	2015 	0.47%	0.47%	0.05%	1.25%
	2016 	0.81%	0.53%	0.05%	4%

* Three deals may be "outliers". Without outliers the mean is 1.15%, median is 1% and maximum is 4.17%.

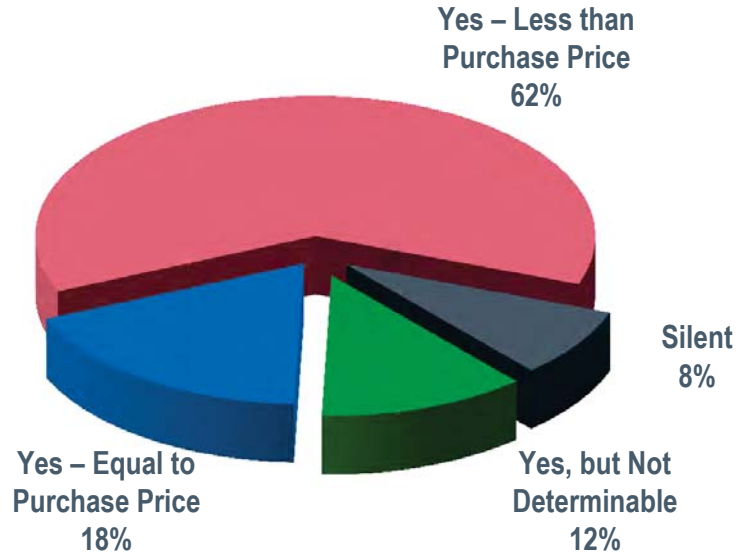


PRIVATE TARGET M&A DEALS – NORTH AMERICAN COMPARISON (Caps)

US 2015 Deal Points Study



Canadian 2016 Deal Points Study



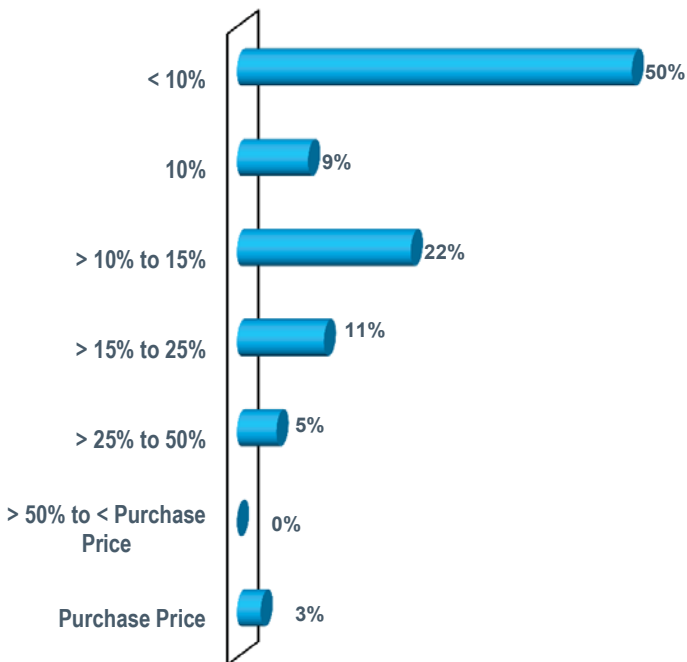


PRIVATE TARGET M&A DEALS – NORTH AMERICAN COMPARISON

(Cap as % of Transaction Value)

(Subset: deals with determinable caps)

US 2015 Deal Points Study



Canadian 2016 Deal Points Study

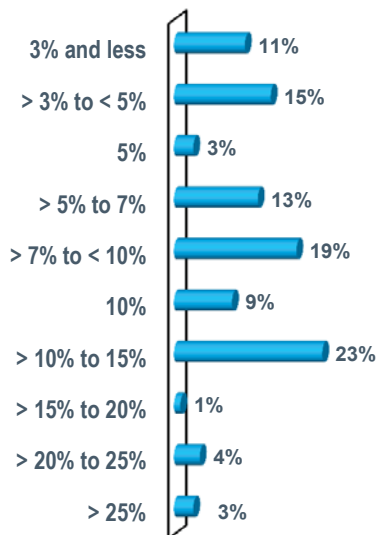




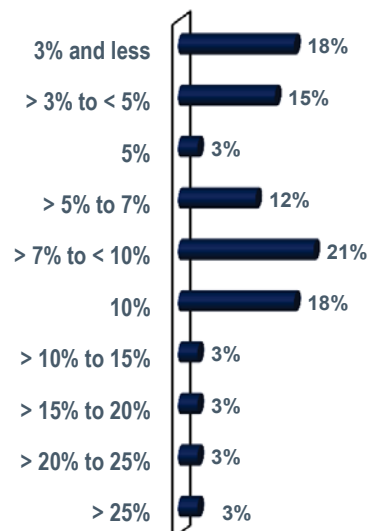
PRIVATE TARGET M&A DEALS – NORTH AMERICAN COMPARISON

(Escrow/Holdback as % of Transaction Value)
(Subset: deals with determinable escrow/holdbacks)

US 2015 Deal Points Study





Canadian 2016 Deal Points Study





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	US 2015 Deal Points Study 	Canadian 2016 Deal Points Study 
Deals with General ADR	15% (15% in 2013 US study) (18% in 2011 US study)	28% (30% in 2014 study) (34% in 2012 study)
Binding Arbitration is Chosen ADR Method	72% (86% in 2013 US study) (89% in 2011 US study)	89% (94% in 2014 study) (95% in 2012 study)
Arbitration Expenses:		
• Evenly Split	33% (40% in 2013 US study) (28% in 2011 US study)	22% (33% in 2014 study) (18% in 2012 study)
• Apportioned	25% (15% in 2013 US study) (6% in 2011 US study)	0% (11% in 2014 study) (5% in 2012 study)
• Loser Pays	42% (15% in 2013 US study) (38% in 2011 US study)	15% (0% in 2014 study) (17% in 2012 study)
• Determined By Arbitrator/Silent	0% (30% in 2013 US study) (28% in 2011 US study)	63% (54% in 2014 study) (60% in 2012 study)