

# 2016 Transaction Termination Fee Study

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# **2016 Transaction Termination Fee Study Summary**

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# Introduction

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Houlihan Lokey's 2016 Transaction Termination Fee Study (the "2016 Study") employs search and screening criteria similar to those used in previous studies. We applied these criteria to the universe of announced transactions from 2012 through 2015 and in 2016 to provide a basis for comparison. Our study focuses on termination fees both as a percentage of "transaction value" and "enterprise value." Transaction value is the total value of consideration paid by an acquirer, excluding fees and expenses, and is, for the most part, generally tantamount to "equity value." Enterprise value is defined as the number of shares outstanding multiplied by the per-share offer price, plus the cost to acquire convertible securities, debt, and preferred equity, minus cash and marketable securities.

We conducted our search using data from Thomson Reuters and Capital IQ and applied the following screening criteria:

- Target company is a U.S. public company
- Transaction announcement date is between January 1, 2016, and December 31, 2016
- Transaction value is greater than \$50 million
- Transaction type, as classified by Thomson Reuters, comprises
  - Acquisitions of full or majority interest
  - Leveraged buyouts
  - Tender offers (bankruptcy, divestiture, and spinoff transactions are excluded)
- Deal status is completed, pending, or withdrawn
- Target termination fee is disclosed

For the 2016 Study, 183 transactions met these criteria; we have analyzed these transactions in terms of both transaction and enterprise values

# Transaction Termination Fees

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Given the time and expense involved in negotiating and structuring a proposed transaction, acquirers are continuously looking for creative ways to deter competing bids before the consummation of a transaction. Protective devices used by acquirers are heavily negotiated and may include termination fees, “lockup” agreements, and “no-shop” provisions. Conversely, in seeking to maximize stockholder value, boards of directors of target companies try to obligate the acquirer to consummate the agreed-upon transaction while maintaining the flexibility to seek and accept a superior offer for the target.

Termination, or breakup, fees are probably the most common type of lockup device and are typically payable by the target to the acquirer to compensate the acquirer if the transaction fails to close for one of the following reasons (among others):

- The target board elects to terminate the acquisition agreement in order to accept a competing offer
- The target board changes its recommendation, and the acquirer elects to terminate the merger agreement rather than proceed with the stockholder vote
- The original bid fails for some other specified reason, such as being voted down by the stockholders, after a competing proposal has been announced and is agreed to or closed within a specified period (typically six to 12 months)

Properly crafted, a termination fee provision can facilitate the sale of a company by ensuring that the bidder will receive a material “consolation prize” to defray its investment—in time, out-of-pocket expense, and opportunity cost—if the transaction is not consummated. On the other hand, termination fees protect the acquirer by effectively increasing the price that a third-party bidder will need to pay in order to consummate a competing transaction.

# Enterprise and Transaction Values

Of the 183 transactions reviewed in 2016, the mean transaction value equaled approximately \$4.4 billion, marking a 29.3% decrease from the 2015 mean transaction value of approximately \$6.2 billion. The mean enterprise value equaled approximately \$6.7 billion, marking a 20.0% decrease from the 2015 mean enterprise value of approximately \$8.4 billion.<sup>(1)</sup>

The median transaction value in 2016 equaled approximately \$1.0 billion, marking a 24.3% decrease from the 2015 median transaction value of \$1.3 billion. The median enterprise value equaled approximately \$1.3 billion, marking a 39.1% decrease from the 2015 median enterprise value of approximately \$2.1 billion.

## Enterprise and Transaction Value Annual Summary (\$ in millions)

	Transaction Value					Enterprise Value <sup>(2)</sup>				
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
<b>Mean</b>	\$1,267.8	\$2,015.0	\$3,435.4	\$6,200.2	\$4,381.8	\$1,695.2	\$2,872.6	\$4,843.2	\$8,357.0	\$6,682.8
<b>Median</b>	\$409.8	\$566.5	\$727.5	\$1,333.6	\$1,009.2	\$662.9	\$861.8	\$1,472.3	\$2,107.2	\$1,282.9
<b>No. of Transactions</b>	158	130	127	126	183	129	94	103	103	120

Source: Thomson Reuters and Capital IQ.

<sup>(1)</sup> The mean transaction and enterprise value indications in 2015 were impacted by six "mega deals" with implied transaction values greater than \$30 billion, including Pfizer Inc.'s \$145.8 billion withdrawn merger with Allergan plc; Dell Inc.'s \$66.0 billion acquisition of EMC Corporation; Charter Communications, Inc.'s \$55.6 billion acquisition of Time Warner Cable Inc.; H.J. Heinz Holding Corporation's \$46.1 billion merger with Kraft Foods Group, Inc.; Aetna Inc.'s \$34.6 billion withdrawn acquisition of Humana Inc.; and Shire plc's \$31.0 billion acquisition of Baxalta Incorporated.

<sup>(2)</sup> Excludes banks and other financial institutions due to lack of reliable data

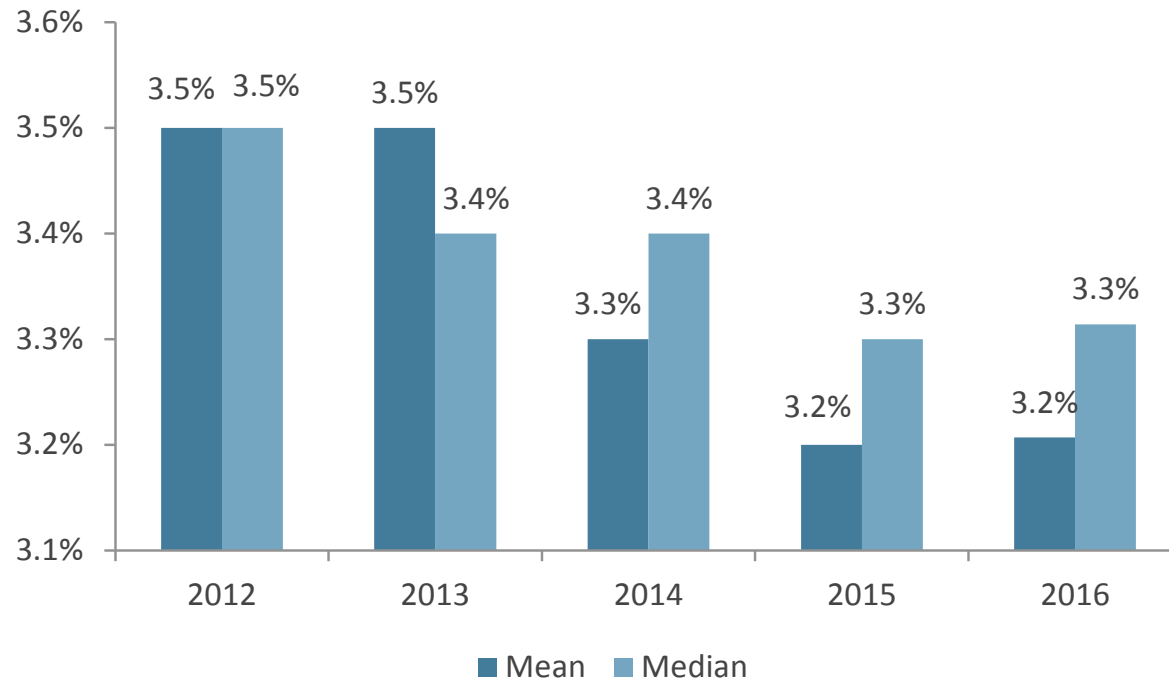
# Transaction Termination Fees

## Transaction Value

In the 2016 Study, termination fees as a percentage of transaction value ranged from 0.8% to 5.1%, with a mean of 3.2% and median of 3.3%.

- The 0.8% termination fee was observed in SBE Entertainment Group, LLC's \$794.0 million acquisition of Morgans Hotel Group Co.
- The 5.1% termination fee was observed in Orchestra Premaman SA's \$98.8 million attempted acquisition of Destination Maternity Corporation, which was cancelled due to inability to satisfy securities regulations in France and the U.S.

## Transaction Termination Fees as a Percentage of Transaction Value

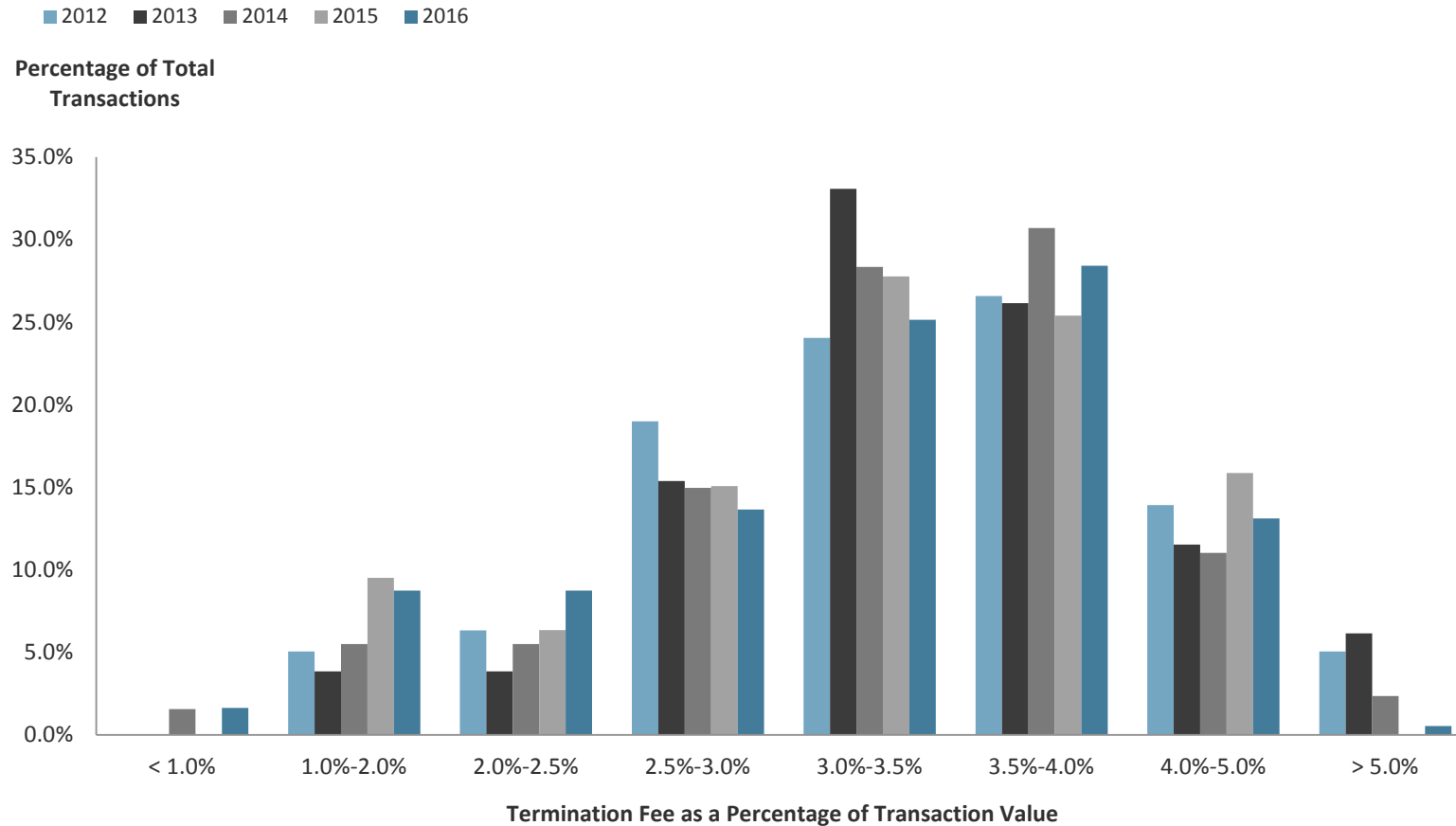


# Transaction Termination Fees

## Transaction Value (cont.)

The distribution of termination fees as a percentage of transaction value generally resembles a classic bell curve, with most results clustered around the observed mean (3.2%) and median (3.3%).

### Distribution of Termination Fee Percentages



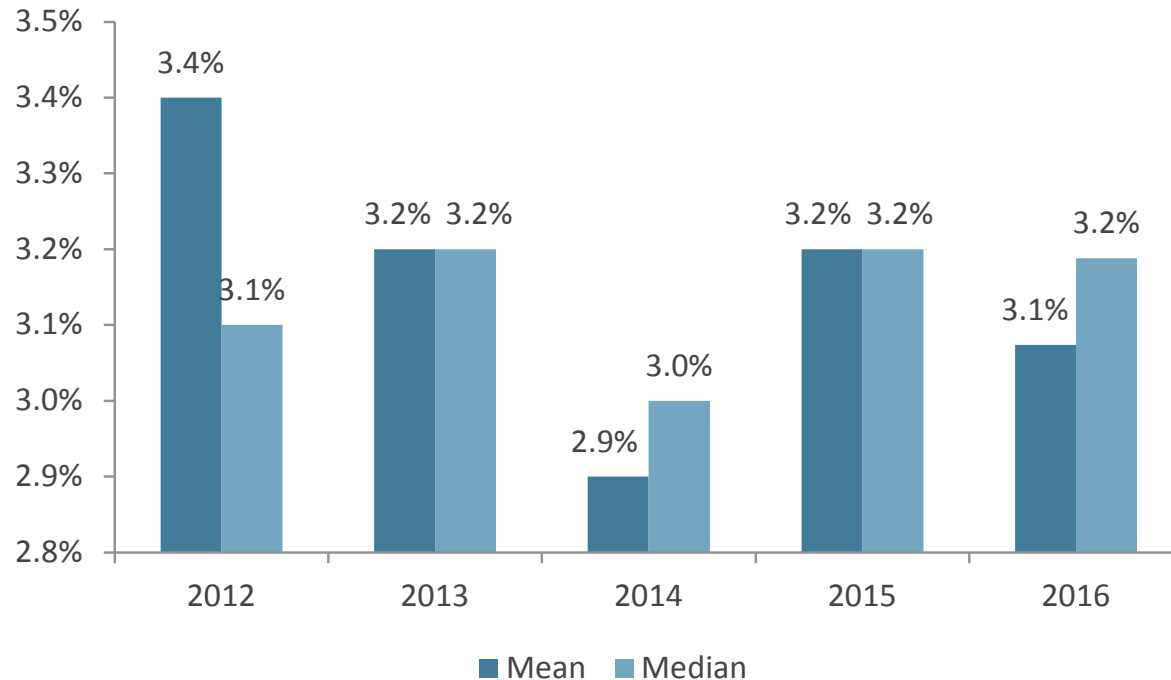


# Transaction Termination Fees

## Enterprise Value

Termination fees as a percentage of enterprise value were analyzed for deals announced from 2012 through 2016. Due to the inclusion of debt, enterprise value (the denominator in the fee percentage calculation) is typically greater than transaction value. Accordingly, the observed median termination fees as a percentage based on enterprise value are generally slightly lower than those observed using transaction values over the past five years of data.

### Transaction Termination Fees as a Percentage of Enterprise Value<sup>(1)</sup>

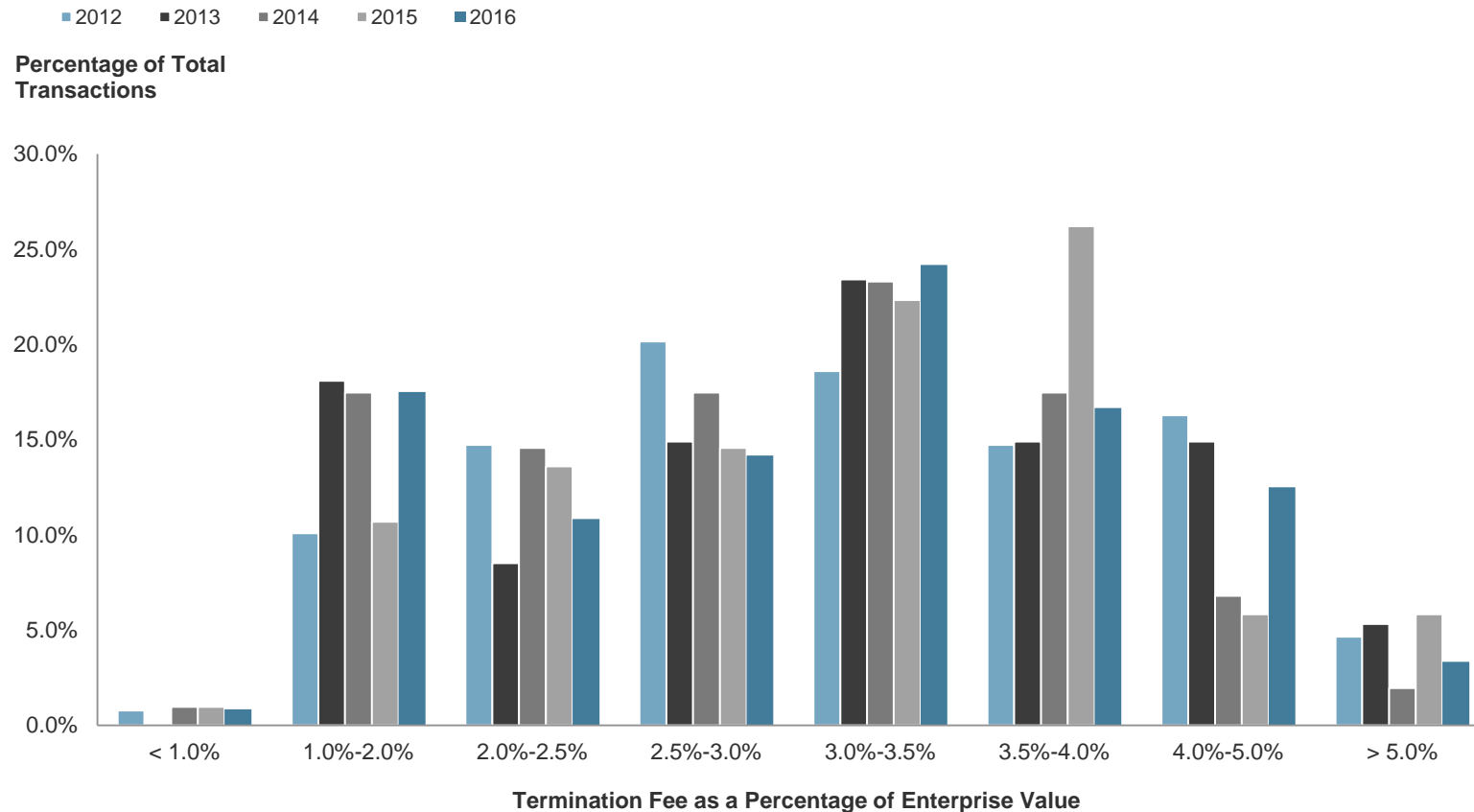


# Transaction Termination Fees

## Enterprise Value (cont.)

The distribution of termination fees as a percentage of enterprise value is weighted toward fees (as a percentage of enterprise value) near the mean of 3.1%.

### Distribution of Termination Fee Percentages



# Transaction Termination Fees

## Semi-Annual Summary

The number of announced transactions increased in the second half of 2016, but the median transaction size decreased, with the median transaction value in the second half of 2016 (approximately \$842 million) 23.3% lower than that of the first half of 2016 (approximately \$1.1 billion).

In dollar terms, the median termination fee decreased from \$34.0 million in the first half of 2016 to \$27.3 million in the second half of 2016, which reflects a decrease in the size of observed deals over the same time period. The median termination fee was unchanged as a percentage of transaction value (3.3%) but decreased as a percentage of enterprise value (3.3% to 3.1%) in the second half of 2016.

### 2016 Termination Fee Summary (\$ in millions)

	First Half of 2016	Second Half of 2016
<b>No. of Transactions</b>	87	96
<b>Median Transaction Value</b>	\$1,097.2	\$842.0
<b>Median Enterprise Value<sup>(1)</sup></b>	\$1,187.7	\$1,327.4
<b>Median Termination Fee</b>	\$34.0	\$27.3
<b>Median Fee as a Percentage of Transaction Value</b>	3.3%	3.3%
<b>Median Fee as a Percentage of Enterprise Value<sup>(1)</sup></b>	3.3%	3.1%

# Termination Fees by Transaction Size

## Transaction Value

In the 2016 Study, 28 deals had transaction values greater than \$5 billion, compared with 32 in 2015. These large transactions accounted for 15.3% of the sample in 2016, compared to 25.4% in 2015. For transactions of this magnitude, the median termination fee as a percentage of transaction value was 2.3% in 2016, a decrease from the 3.0% observed in 2015.

- The Median Termination Fee as a Percentage of Transaction Value is based on the median of all calculated termination fees as a percentage of transaction value, not the calculation of the observed median of transaction value and termination fee.

In dollar terms, the highest termination fee among the transactions in 2016 was observed in AT&T Inc.'s \$109.4 billion pending acquisition of Time Warner Inc. (with a termination fee of approximately \$1.7 billion, or 1.6% of the transaction value).

## Termination Fees by Transaction Size – Transaction Value (\$ in millions)

Transaction Size	No. of Transactions		Median Transaction Value		Median Termination Fee		Median Termination Fee as a Percentage of Transaction Value	
	2015	2016	2015	2016	2015	2016	2015	2016
<b>\$50 million to \$250 million</b>	27	37	\$118.9	\$127.1	\$3.8	\$4.3	3.7%	3.8%
<b>\$250 million to \$500 million</b>	16	27	\$319.2	\$353.6	\$12.8	\$13.3	3.7%	3.7%
<b>\$500 million to \$1 billion</b>	15	26	\$591.1	\$629.3	\$20.0	\$21.9	3.5%	3.4%
<b>\$1 billion to \$5 billion</b>	36	65	\$2,381.9	\$1,960.2	\$69.6	\$53.0	3.3%	3.1%
<b>More than \$5 billion</b>	32	28	\$13,634.3	\$12,922.4	\$384.5	\$304.5	3.0%	2.3%
<b>All</b>	126	183	\$1,333.6	\$1,009.2	\$36.8	\$30.0	3.3%	3.3%

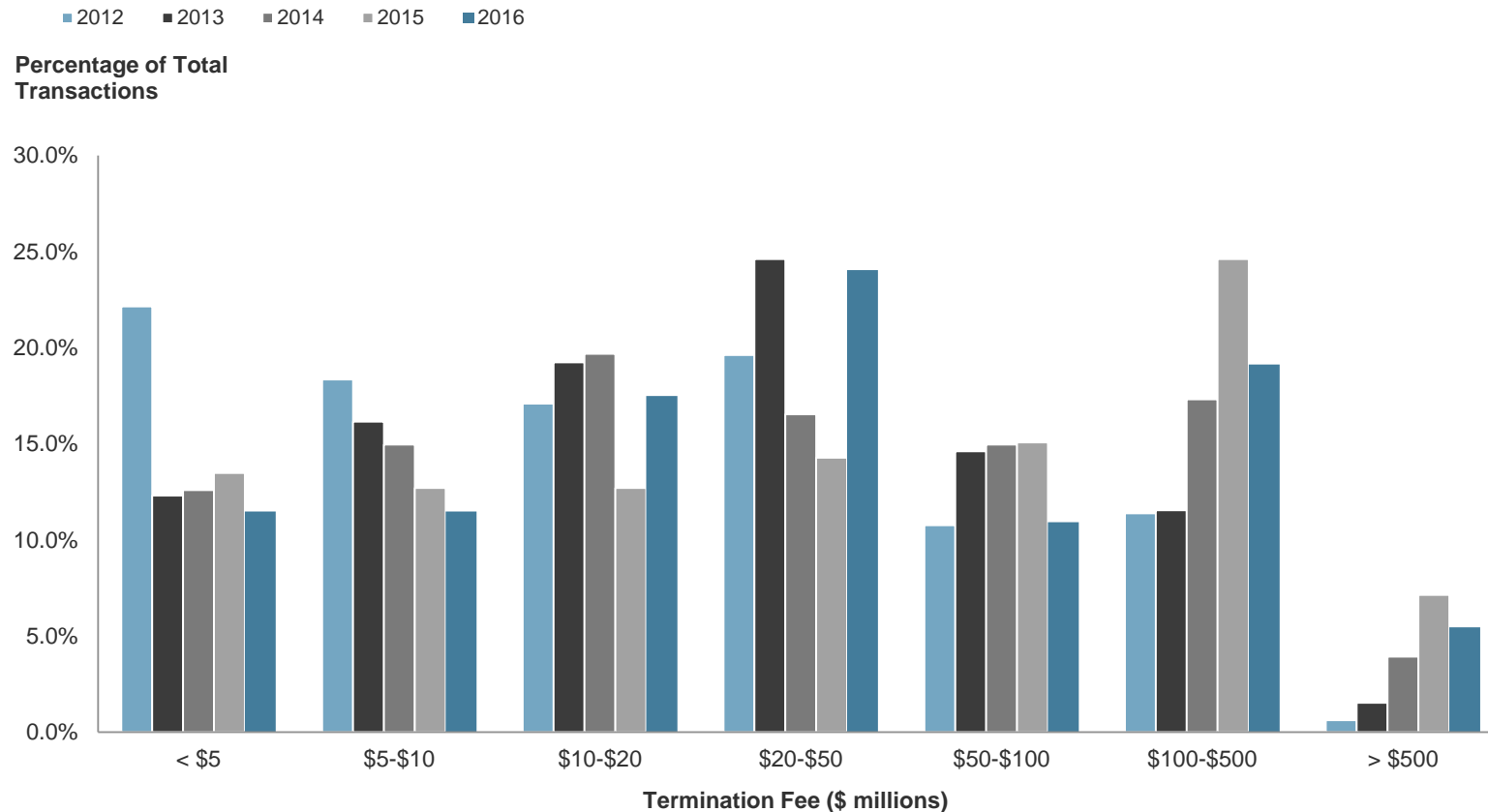
# Termination Fees by Transaction Size

## Distribution of Termination Fees

In dollar terms, termination fees tend to be heavily weighted toward the lower end of the distribution curve. This was less pronounced in recent years, because the median transaction value continued to increase from \$409.8 million in 2012 to approximately \$1.0 billion in 2016.

Approximately 23.0% of the deals sampled in the 2016 Study had termination fees of less than \$10 million, compared with 26.2% in 2015, 27.6% in 2014, 28.5% in 2013, and 40.5% in 2012.

## Distribution of Termination Fees



# Termination Fees by Transaction Size

## Enterprise Value

In the 2016 Study, 30 deals had enterprise values greater than \$5 billion—the same amount of such deals as in 2015. These large transactions accounted for approximately 25.0% of the sample in 2016, compared to 29.1% in 2015. Within this segment of the sample, the median termination fee was 2.3% of enterprise value—lower than the 2.8% observed in 2015.

- The Median Termination Fee as a Percentage of Enterprise Value is based on the median of all calculated termination fees as a percentage of enterprise value, not the calculation of the observed median of enterprise value and termination fee.

### Termination Fees by Transaction Size – Enterprise Value (\$ in millions)<sup>(1)</sup>

Transaction Size	No. of Transactions		Median Enterprise Value		Median Termination Fee		Median Termination Fee as a Percentage of Enterprise Value	
	2015	2016	2015	2016	2015	2016	2015	2016
<b>\$50 million to \$250 million</b>	15	13	\$133.4	\$139.9	\$5.0	\$5.0	3.9%	3.4%
<b>\$250 million to \$500 million</b>	11	14	\$308.7	\$367.7	\$10.0	\$11.4	3.7%	3.5%
<b>\$500 million to \$1 billion</b>	14	22	\$629.6	\$686.2	\$19.8	\$24.2	3.6%	3.6%
<b>\$1 billion to \$5 billion</b>	33	41	\$2,461.7	\$2,167.0	\$72.0	\$54.7	3.4%	3.2%
<b>More than \$5 billion</b>	30	30	\$13,972.7	\$11,993.6	\$400.0	\$300.0	2.8%	2.3%
<b>All</b>	103	120	\$2,107.2	\$1,282.9	\$58.6	\$41.0	3.2%	3.2%

# Termination Fees by Consideration Form

While termination fees correlate to enterprise value and transaction size, they do not correlate strongly to the form of consideration.

The analysis indicates that during 2016 a lower percentage of the transactions included some form of stock consideration compared to 2015 (44% of the 2016 sample compared to 52% of the 2015 sample).

- The Median Termination Fee as a Percentage of Deal Value is based on the median of all calculated termination fees as a percentage of deal value, not the calculation of the observed median of deal value and termination fee.

## Termination Fees by Consideration Form (\$ in millions)

Consideration Form	No. of Transactions		Median				Median Termination Fee as a Percentage of					
			Transaction Value		Enterprise Value <sup>(1)</sup>		Median Termination Fee		Transaction Value		Enterprise Value <sup>(1)</sup>	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
<b>All Stock</b>	19	25	\$813.2	\$1,000.9	\$1,371.0	\$1,269.3	\$25.0	\$34.0	3.3%	3.3%	3.3%	2.1%
<b>All Cash</b>	61	102	\$1,900.0	\$909.1	\$2,224.9	\$1,024.0	\$39.5	\$27.5	3.2%	3.3%	3.3%	3.3%
<b>Cash and Stock</b>	46	56	\$1,713.8	\$1,224.9	\$2,739.4	\$3,496.7	\$52.9	\$34.5	3.4%	3.3%	2.7%	2.8%
<b>All</b>	126	183	\$1,333.6	\$1,009.2	\$2,107.2	\$1,282.9	\$36.8	\$30.0	3.3%	3.3%	3.2%	3.2%

# Termination Fees by Acquisition Type

Transaction fees in 2016 were only somewhat affected by the nature of the transactions.

- We compared public-to-private transactions (including management buyouts, leveraged buyouts, and private equity investments) to all other types of transactions.
  - 41 transactions involved public targets going private, with median termination fees of 3.3% of both transaction and enterprise values. The remaining 142, non-going-private transactions yielded median termination fees of 3.3% and 3.1% of transaction and enterprise values, respectively.
- We also compared termination fees paid in transactions involving strategic buyers to those paid in transactions involving financial buyers. A strategic buyer is defined, for the purposes of our study, as a buyer in the same industry or a buyer seeking to vertically or horizontally integrate (including private equity platform add-ons); a financial buyer is defined as a buyer seeking to profit by making an acquisition but not necessarily by expanding its own business operations.
- For the 144 transactions involving acquirers that Thomson Reuters considered strategic, the median termination fees equaled 3.3% and 3.1% of transaction and enterprise values, respectively. The remaining 39 transactions involved financial acquirers and had a median termination fee of 3.3% of both transaction and enterprise values.

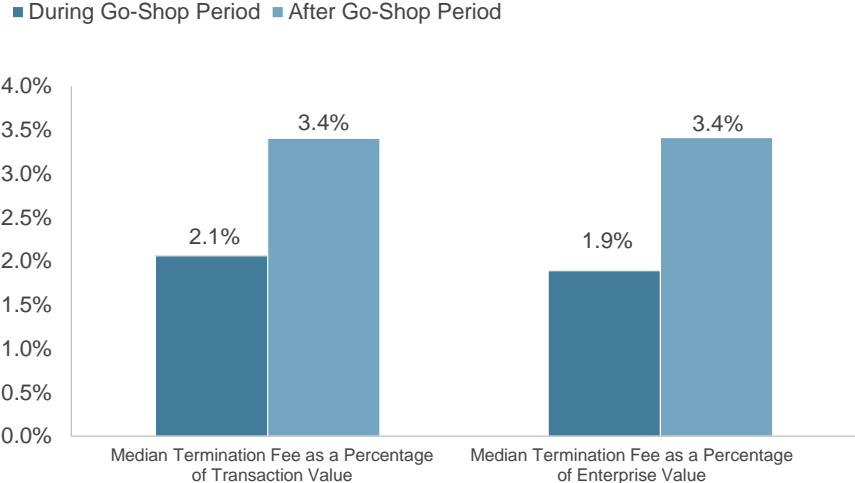


# Bifurcated Termination Fees

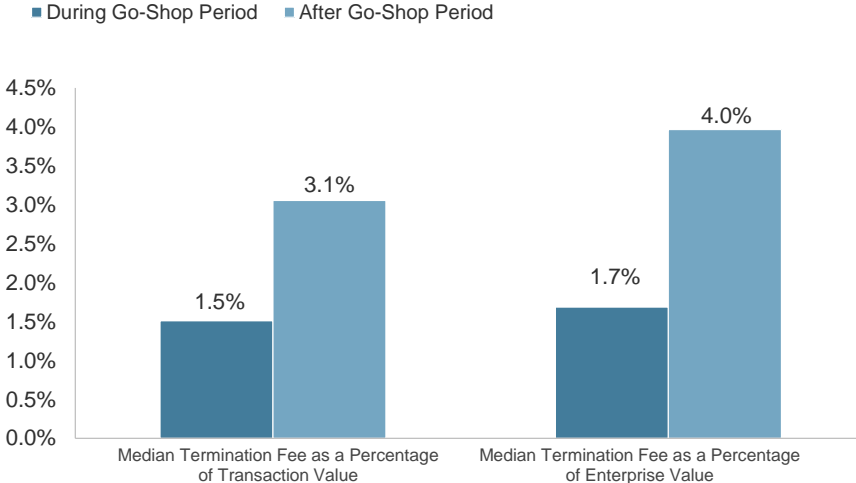
Transactions with so-called “go-shop” provisions generally feature bifurcated termination fees. A lower termination fee is payable during the go-shop period (the period during which the target is allowed to actively solicit competing offers). In the 2016 Study, 15 transactions (8.2% of the sample) included bifurcated termination fees.

The post-go-shop period generally has higher termination fees as a percentage of transaction and enterprise value.

## Bifurcated Termination Fees for Deals Announced in 2015



## Bifurcated Termination Fees for Deals Announced in 2016



# Transaction Termination Fees in Court

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The Delaware courts have found termination fees to be an acceptable and customary component of M&A transactions. However, a target company's board of directors can face criticism if the agreed-upon termination fee (alone or in conjunction with other protective provisions) is sufficiently onerous to dissuade or prevent another potential bidder from making a superior offer for the target.

In assessing the reasonableness of termination fees, the Delaware Chancery Court (the "Court") has refused to establish a bright-line rule as to the maximum permissible size of a termination fee. Instead, the Court has insisted that each case be decided on the particular facts and circumstances surrounding the transaction. In this regard, Vice Chancellor Strine in *In re Toys "R" Us, Inc. S'holder Litig.*, 877 A.2d 975 (Del. Ch. 2005) (*Toys "R" Us*) observed that the reasonableness of a particular termination fee requires a "nuanced, fact-intensive inquiry." That inquiry requires the Court to "consider a number of factors, including without limitation: the overall size of the termination fee, as well as its percentage value; the benefits to shareholders, including a premium (if any) that directors seek to protect; the absolute size of the transaction, as well as the relative size of the partners to the merger; the degree to which a counterparty found such protections to be crucial to the deal, bearing in mind differences in bargaining power; and the preclusive or coercive power of all deal protections included in a transaction, taken as a whole." See *Louisiana Municipal Police Employees' Retirement System v. Crawford*, 918 A.2d 1172 (Del. Ch. 2007).

The reasonableness of termination fees was not a significant issue in any 2016 decisions and was discussed in only a few relatively recent cases.

In *In re Zale Shareholders Litig.*, 2015 Del. Ch. LEXIS 249 (Oct. 1, 2015), the plaintiffs alleged that the board of directors of Zale Corporation agreed to impermissible deal protections, including, among other things, a \$26.7 million termination fee (equal to 2.75% of the transaction value). Citing prior cases approving fees of similar magnitude, the Court rejected the allegation.

In *Southeastern Pennsylvania Transportation Authority v. Abbvie Inc.*, C.A. Nos. 10374, 10408-VCG (Del. Ch. Apr. 15, 2015), the plaintiffs sought to inspect the books and records of AbbVie Inc. (Abbvie) for the purpose of investigating potential breaches of fiduciary duty by AbbVie's board in connection with AbbVie's payment of a \$1.635 billion reverse termination fee that was triggered by the termination of its proposed inversion transaction with Shire plc. The plaintiffs argued that the board's breach resulted from its approving and eventually triggering an "enormous" reverse termination fee that did not carve out a contingency for the U.S. government taking action to deter tax-driven, merger-based inversions.

## Transaction Termination Fees in Court (cont.)

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In the course of denying the plaintiff's motion, the Court noted that "the [reverse breakup fee] is 'enormous,' to use SEPTA's phrasing, in the abstract, but not in the context of the equally enormous value of the transaction itself: [a]greeing to a 3% termination fee is not intrinsically unusual, let alone a credible indication of bad faith." The Court also observed that the record suggests that the fee was an actively negotiated provision sought by Shire, the target company, and that, though a large dollar amount, "it was a commonplace 3% of total value of that target."

In *In re Comverge, Inc. S'holders Litig.*, C.A. No 7368-VCP (Del. Ch. Nov. 25, 2014), the Court refused to dismiss a complaint alleging that the board of directors of Comverge, Inc. (Comverge), a financially distressed company, acted in bad faith by approving an unreasonable termination fee in connection with the acquisition of Comverge by H.I.G. Capital (H.I.G.). The stated termination fee was equal to 5.55% of Comverge's equity value (or 5.2% of enterprise value) if triggered during the "go-shop" period and 7% of the equity value (or 6.6% of enterprise value) if triggered afterwards.

The plaintiff argued that the potentially preclusive effects of these termination fees had to be assessed with reference to a \$12 million convertible bridge loan that H.I.G. provided to Comverge as part of the transaction (the "Bridge Note"). The plaintiff alleged that the conversion feature in the Bridge Note, which allowed H.I.G. to purchase Comverge common stock at a 20% discount to the merger price, would significantly increase the cost of a topping bid. Conversion of the Bridge Note, the plaintiff argued, would result in a total payment equal to 11.6% of the deal's equity value during the go-shop period and 13.1% of the deal's equity value after the go-shop period.

For purposes of the motion, Vice Chancellor Parsons accepted the plaintiff's argument that the Bridge Note, if converted, could add more than \$3 million to the purchase price a competing buyer would have to pay and therefore should be considered as part of the termination fee. In doing so, the Court also observed that the termination fees of 5.5% of equity value (or 5.2% of enterprise value) during the go-shop period and 7% of equity value (or 6.6% of enterprise value) after the go-shop period "test the limits of what this Court has found to be within a reasonable range for termination fees." Vice Chancellor Parsons concluded that, for the purposes of surviving a motion to dismiss, it was reasonably conceivable that the plaintiff might be able to show that the Comverge board's decision was "so beyond the bounds of reasonable judgment" as to be only explainable as "bad faith"—and thus not exculpable under a Section 102 (b)(7) exculpatory clause.

# Transaction Termination Fees in Court (cont.)

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In reviewing various deal protections for reasonableness under the Unocal standard, Vice Chancellor Noble, in *In re TriQuint Semiconductor, Inc. S'holders Litig.*, C.A. No. 9415-VCN (Del. Ch. Jun. 13, 2014), found a 2.8% termination fee to be common and acceptable under Delaware law. Similarly, in *C&J Energy Services, Inc. v. City of Miami General Employees*, 107 A. 3d 1049, the Delaware Supreme Court found a \$65 million termination fee to be “modest” given it was “2.27% of the deal value.”

In *In re Crimson Exploration Inc., S'holders Litig.*, C.A. No. 8541-VCP (Del. Ch. Oct. 24, 2014), Vice Chancellor Parsons found that it was not “reasonably conceivable that the plaintiffs could show that the director defendants acted in bad faith by approving, among other things, a \$7 million termination fee that represented 1.8% of Crimson’s enterprise value,” notwithstanding that the fee “represented 4.5% of Crimson’s equity value, which is at the high end of the range of fees the courts have found reasonable.”

The signpost for the outer limit of acceptability remains *Phelps Dodge Corp. v. Cyprus Amax Minerals Co.*, C.A. No. 17398 (Del. Ch. Sept. 27, 1999), in which the Court found that a 6.3% termination fee “stretches the definition of reasonableness beyond its breaking point.” In this regard, in *In re Theragenics Corp. S'holders Litig.*, C.A. No. 8790 (Del. Ch. May 5, 2014), Vice Chancellor Laster declined to approve a settlement agreement, in part because of a bifurcated termination fee that equated to “around north of 5 percent” of transaction value during the go-shop period and increased to 7.8% after the go-shop period. Another judicial warning is Vice Chancellor Strine’s admonition in *Toys “R” Us* that, in mega-deals, the absolute size of a termination fee can be offensive irrespective of being within the range of historical percentages due to the “preclusive differences between termination fees starting with a ‘b’ rather than an ‘m.’”

# Reverse Breakup Fees

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Prior to 2005, private equity transactions were typically subject to financing conditions that would allow the buyer to terminate the deal if debt financing was unavailable. As competition among private equity firms increased and financing became readily available, targets began to require private equity buyers to absorb more of the financing risk and provide recourse in the form of “reverse breakup fees,” which are fees payable by the acquirer to the target if funding falls through or the transaction is otherwise terminated. These fees are backstopped by a limited guarantee by the private equity fund. The rationale behind such fees is to compensate the target for the risk that “committed” financing does not fund and the transaction does not close.

With the addition of a fund commitment or guarantee, financial sponsors sought to limit the exposure of their investors by seeking a cap on the maximum extent of the fund’s exposure for a failed deal. Sponsors were generally successful in this effort, and the reverse termination fee quickly became a ceiling on a fund’s liability for intentionally breaching the agreement.

In the aftermath of the numerous transactions that were abandoned in late 2007 and 2008, sellers became more concerned about the optionality created by the reverse termination fee structure. As a result, among other things, reverse breakup fees increased in magnitude, with the median percentage of transaction value increasing to 4.7% in 2009, from 3.5% in 2008, and the median percentage of enterprise value increasing to 4.1% in 2009, from 3.2% in 2008. Reverse breakup fees remained at these elevated levels in 2010 (4.5% of transaction value and enterprise value), 2011 (5.1% of transaction value and 4.5% of enterprise value), 2012 (5.0% of transaction value and 4.7% of enterprise value), and 2013 (5.8% of transaction value and 5.5% of enterprise value). The median reverse breakup fee as a percentage of transaction and enterprise value fell in 2014 (4.1% and 3.8%, respectively) and 2015 (4.3% and 4.0%, respectively), which, among other factors, reflects an increase in the median deal size. In 2016, the median reverse breakup fee as a percentage of transaction value and enterprise value decreased to 4.0% and 3.2%, respectively.

In recognition, however, of the sometimes turbulent financing markets, two-tier fees were not uncommon, with a lower fee payable if the closing did not occur due to a financing failure rather than a willful failure. For example, during 2011, in connection with its acquisition of Emdeon Inc., Blackstone Capital Partners VI agreed to a reverse termination fee of 3.6% of transaction value in the event it was unable to raise financing but a 7.0% reverse termination fee for a “willful breach” of the merger agreement. Similarly, in 2011 Eagle Parent Inc. agreed to pay 2.5% of transaction value in the event it was unable to raise financing for its acquisition of Epicor Software Corp. but a fee of 7.5% for a “willful breach” of the merger agreement.

## Reverse Breakup Fees (cont.)

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Beginning in 2008, a number of strategic cash deals began to duplicate the private equity reverse breakup fee structure. Historically, sellers had had less deal protection concerns with strategic buyers than with private equity buyers. However, with the state of the financing markets at the time, and the fact that banks had begun to introduce greater conditionality into their commitments, that attitude changed. In April 2008, the \$23 billion Mars Inc./Wm. Wrigley Jr. Co. deal became the first large strategic deal to be structured with a private equity-style reverse termination fee.

During 2011, there was increased use of reverse termination fees as a means of mitigating antitrust risk. For example, Google Inc.'s merger agreement with Motorola Mobility Holdings, Inc., required Google to pay a reverse termination fee of \$2.5 billion (20.7% of transaction value and 27.6% of enterprise value) if antitrust clearance was not obtained and the transaction was terminated as a result. Similarly, AT&T Inc. agreed to pay a \$3.0 billion reverse termination fee (7.7% of transaction and enterprise values) to Deutsche Telekom AG in connection with AT&T's proposed acquisition of T-Mobile USA, Inc., which was ultimately blocked for antitrust reasons.

In connection with its 2013 acquisition of Vodafone's interest in Verizon Wireless, Verizon Communications (Verizon) agreed to pay Vodafone a \$10 billion reverse termination fee (7.69% of transaction value) if Verizon was unable to complete its financing for the acquisition. The fee was the largest reverse termination fee ever agreed to.

Commentators have noted that forward and reverse termination fees serve different functions and should be analyzed differently. Target termination fees have the potential to foreclose a competitive bidding process, against the interests of shareholders of the target, by making acquisitions prohibitively expensive for bidders late to approach the target. Accordingly, courts have expressed concern that termination fees greater than approximately 3% of the purchase price may interfere with the Revlon duties of a sellers' board to secure the highest price under the circumstances. Reverse termination fees, by contrast, raise no such obvious concerns because they do not increase the cost of a bidding contest for later bidders.

# Reverse Breakup Fees (cont.)

Of the 183 transactions reviewed in the 2016 Study, 86 (approximately 47%) had reverse breakup fees, with median fees of 4.0% and 3.2% of transaction and enterprise values, respectively. In 2015, 45 (36%) of the 126 transactions reviewed had reciprocal termination fees, with median fees of 4.3% and 4.0% of transaction and enterprise values, respectively.

## Reverse Breakup Fee Summary (\$ in millions)

	2015	2016
<b>No. of Transactions</b>	45	86
<b>Median Transaction Value</b>	\$1,981.5	\$1,429.5
<b>Median Target Fee as a Percentage of Transaction Value</b>	3.2%	3.1%
<b>Median Acquirer Fee as a Percentage of Transaction Value</b>	4.3%	4.0%
<b>Median Enterprise Value</b>	\$3,115.7	\$2,487.7
<b>Median Target Fee as a Percentage of Enterprise Value</b>	3.0%	2.6%
<b>Median Acquirer Fee as a Percentage of Enterprise Value</b>	4.0%	3.2%
<b>Percentage With Identical Termination Fee</b>	35.6%	34.9%
<b>Percentage With Target Fee Higher Than Acquirer Fee</b>	6.7%	10.5%
<b>Percentage With Acquirer Fee Higher Than Target Fee</b>	57.8%	54.7%

# Reverse Breakup Fees (cont.)

In 2015 and 2016, reverse breakup fees as a percentage of transaction and enterprise values were higher in transactions involving financial buyers.

## Reverse Breakup Fee Summary (\$ in millions)

	2015 Transactions		2016 Transactions	
	Strategic Buyers	Financial Buyers	Strategic Buyers	Financial Buyers
<b>No. of Transactions</b>	33	12	58	28
<b>Median Transaction Value</b>	\$1,981.5	\$2,207.9	\$1,474.5	\$1,357.3
<b>Median Target Fee as a Percentage of Transaction Value</b>	3.2%	3.2%	3.0%	3.1%
<b>Median Acquirer Fee as a Percentage of Transaction Value</b>	4.0%	6.1%	3.6%	5.8%
<b>Median Enterprise Value</b>	\$4,327.8	\$2,523.6	\$2,723.9	\$1,300.6
<b>Median Target Fee as a Percentage of Enterprise Value</b>	2.7%	3.5%	2.3%	3.2%
<b>Median Acquirer Fee as a Percentage of Enterprise Value</b>	3.7%	6.5%	2.9%	4.5%



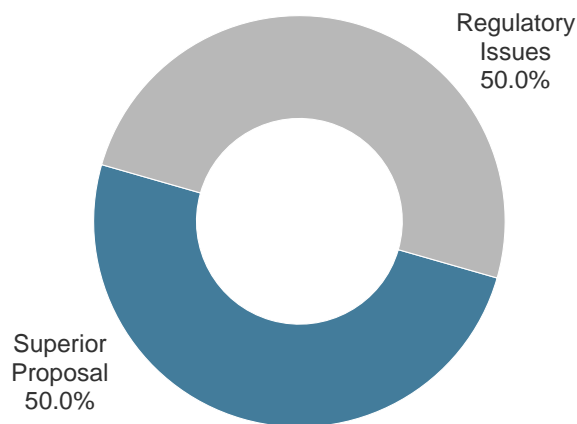
# Analysis of Withdrawn Transactions

Of the 183 transactions reviewed in the 2016 Study, only two (1.1%) were terminated. In comparison, nine of the 126 transactions reviewed in 2015 were withdrawn (approximately 7.1%).

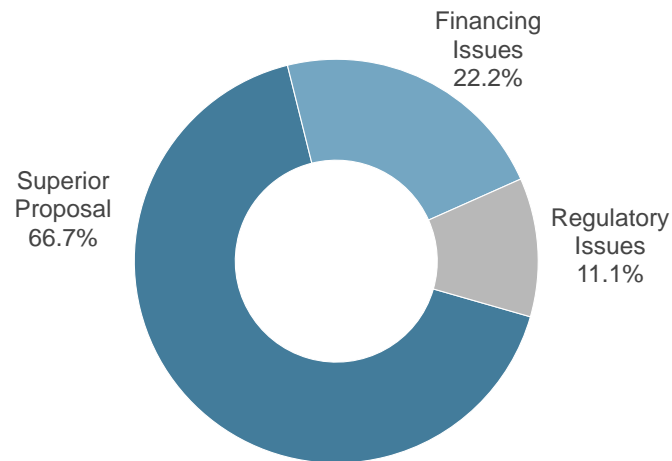
Incipio Technologies Inc.'s proposed \$188.0 million acquisition of Skullcandy Inc. in 2016 was withdrawn because the target received an unsolicited offer that constituted a superior proposal. In the withdrawn transaction, Skullcandy Inc. paid a termination fee.

Orchestra Premaman SA's proposed \$98.8 million acquisition of Destination Maternity Corporation was withdrawn because of the challenges satisfying securities regulations in France and the U.S., specifically the registration and listing of Orchestra Premaman SA securities in the U.S. No termination fees were paid; however, each party agreed to reimburse the other for certain costs incurred in connection with the proposed merger.

## Reasons for the Termination of Transactions in 2016



## Reasons for the Termination of Transactions in 2015



## **2016 Transaction Termination Fee Detail**

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# 2016 Transaction Termination Fee Detail

Date Announced	Status	Target Name	Target Description	Acquiror Name	Acquiror Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Target's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
01/04/2016	Completed	Underground Solutions Inc.	Provides pipeline construction services	Aegion Corp.	Provides pipeline construction services	Not Applicable	Cash	\$85.0	\$85.0	\$3.0	3.5%	3.5%
01/05/2016	Completed	Cape Bancorp Inc.	Bank holding company	OceanFirst Financial Corp.	Provides banking services	Stock Swap	Cash/Stock	\$200.5	NA	\$7.2	3.6%	NA
01/08/2016	Completed	Affymetrix Inc.	Manufactures and wholesales medical equipment	Thermo Fisher Scientific Inc.	Manufactures analytical technology equipment	Not Applicable	Cash	\$1,152.1	\$1,137.1	\$55.0	4.8%	4.8%
01/12/2016	Completed	Anchor Bancorp Wisconsin Inc.	Commercial banking	Old National Bancorp	Commercial banking	Stock Swap	Cash/Stock	\$465.5	NA	\$15.0	3.2%	NA
01/15/2016	Completed	Synutra International Inc.	Produces and wholesales dairy products	Investor Group	Investor group	Going Private*	Cash	\$128.2	NA	\$3.1	2.4%	NA
01/19/2016	Completed	Rouse Properties Inc.	Real estate investment trust	Brookfield Asset Management Inc.	Provides asset management services	Not Applicable	Cash	\$2,575.8	NA	\$40.0	1.6%	NA
01/19/2016	Completed	Waste Connections Inc.	Provides solid waste services	Progressive Waste Solutions	Provides waste collection services	Stock Swap	Stock	\$5,932.0	\$8,132.1	\$105.0	1.8%	1.3%
01/25/2016	Completed	Johnson Controls Inc.	Manufactures industrial interior systems	Tyco International PLC	Security systems services (except locksmiths)	Stock Swap	Cash	\$22,659.7	\$27,701.7	\$375.0	1.7%	1.4%
01/26/2016	Completed	FirstMerit Corp.	Bank holding company	Huntington Bancshares Inc., OH	Bank holding company	Stock Swap	Cash/Stock	\$3,337.8	NA	\$100.6	3.0%	NA
01/26/2016	Completed	Talmer Bancorp Inc.	Other depository credit intermediation	Chemical Financial Corp.	Bank holding company	Stock Swap	Cash/Stock	\$1,097.2	NA	\$34.0	3.1%	NA
01/28/2016	Completed	Avenue Financial Holdings Inc.	Commercial banking	Pinnacle Financial Partners	Bank holding company	Stock Swap	Cash/Stock	\$206.8	NA	\$8.0	3.9%	NA
02/01/2016	Pending	Alere Inc.	Manufactures diagnostic pharmaceutical products	Abbott Laboratories	Manufactures and wholesales pharmaceutical and medical equipment	Not Applicable	Cash	\$8,129.4	\$7,527.4	\$177.0	2.2%	2.4%
02/01/2016	Completed	Questar Corp.	Oil and gas exploration and production company	Dominion Resources Inc.	Electric and gas utility company	Not Applicable	Cash	\$4,380.2	\$6,068.3	\$99.0	2.3%	1.6%
02/04/2016	Completed	Cascade Microtech Inc.	Manufactures and wholesales measuring equipment	FormFactor Inc.	Manufactures and wholesales semiconductors	Not Applicable	Cash/Stock	\$348.4	\$312.6	\$10.8	3.1%	3.5%
02/05/2016	Completed	LeapFrog Enterprises Inc.	Manufactures educational platforms	Vtech Holdings Ltd.	Manufactures and wholesales telecommunications, electronic products	Tender Offer	Cash	\$73.3	\$40.5	\$2.9	4.0%	7.2%
02/06/2016	Completed	ITC Holdings Corp.	Electric utility company	Fortis Inc.	Provides electric, gas distribution services	Not Applicable	Cash/Stock	\$11,478.4	\$11,464.5	\$245.0	2.1%	2.1%
02/08/2016	Completed	Apollo Education Group Inc.	Colleges, universities, and professional schools	AP VIII Queso Holdings LP	Blank check company	Going Private	Cash	\$1,086.4	\$524.6	\$27.5	2.5%	5.2%
02/09/2016	Completed	Empire District Electric Co.	Electric and water utility	Liberty Utilities Co.	Electric, water utility company	Not Applicable	Cash	\$1,488.8	\$2,369.2	\$53.0	3.6%	2.2%
02/10/2016	Completed	Xenith Bankshares Inc.	Bank holding company	Hampton Roads Bankshares Inc.	Bank holding company	Stock Swap	Stock	\$101.7	NA	\$4.0	3.9%	NA
02/14/2016	Completed	Diligent Corp.	Software publishers	Insight Venture Partners LLC	Private equity firm	Going Private	Cash	\$628.8	NA	\$19.5	3.1%	NA
02/16/2016	Completed	The ADT Corp.	Provides security systems services	Apollo Global Management LLC	Private equity firm	Not Applicable	Cash	\$6,943.4	NA	\$228.0	3.3%	NA
02/17/2016	Completed	Ingram Micro Inc.	Wholesales computer software products	Tianjin Tianhai Invest Co. Ltd.	Deep sea freight transportation	Not Applicable	Cash	\$7,250.4	\$6,263.4	\$120.0	1.7%	1.9%
02/23/2016	Completed	Newport Corp.	Manufactures laboratory and measurement equipment	MKS Instruments Inc.	Manufactures and wholesales process control instruments	Not Applicable	Cash	\$888.4	\$924.1	\$32.6	3.7%	3.5%
02/24/2016	Completed	PowerSecure International Inc.	Manufactures power systems and switchgear products	Southern Co.	Electric utility company	Not Applicable	Cash	\$421.9	\$422.1	\$12.0	2.8%	2.8%
02/26/2016	Completed	Alexza Pharmaceuticals Inc.	Biopharmaceutical company	Grupo Ferrer Internacional SA	Manufactures pharmaceuticals	Going Private	Cash/Stock	\$52.4	\$83.0	\$1.0	1.9%	1.2%
02/26/2016	Completed	Apollo Residential Mortgage	Real estate investment trust	Apollo Coml. RE Fin. Inc.	Real estate investment trust	Stock Swap	Cash/Stock	\$442.1	NA	\$18.0	4.1%	NA

# 2016 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquiror Name	Acquiror Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Target's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
02/29/2016	Completed	API Technologies Corp.	Manufactures semiconductors	J.F. Lehman & Co.	Private equity firm	Going Private	Cash	\$111.7	NA	\$3.5	3.1%	NA
03/03/2016	Completed	Tumi Holdings Inc.	Personal leather goods manufacturing (except women's handbags and purses)	Samsonite International SA	Luggage manufacturing	Not Applicable	Cash	\$1,809.3	\$1,714.7	\$54.7	3.0%	3.2%
03/03/2016	Completed	Carmike Cinemas Inc.	Provides movie theater services	AMC Entertainment Holdings Inc.	Motion picture theaters (except drive-ins)	Not Applicable	Cash/Stock	\$827.2	\$1,179.3	\$30.0	3.6%	2.5%
03/07/2016	Completed	National Interstate Corp.	Property and casualty insurance company	Great American Insurance Group	Insurance company	Not Applicable	Cash	\$311.5	\$577.2	\$13.5	4.3%	2.3%
03/10/2016	Completed	1st Century Bancshares Inc.	Bank holding company	Midland Financial Co.	Provides financial services	Going Private	Cash	\$116.0	NA	\$4.5	3.9%	NA
03/14/2016	Completed	Fresh Market Inc.	Owens and operates grocery stores	Apollo Global Management LLC	Private equity firm	Tender Offer	Cash	\$1,340.9	NA	\$34.0	2.5%	NA
03/16/2016	Completed	Rofin-Sinar Technologies Inc.	Manufactures semiconductors and related devices	Coherent Inc.	Manufactures lasers, laser instrument systems	Not Applicable	Cash	\$929.7	\$781.6	\$25.0	2.7%	3.2%
03/17/2016	Completed	Columbia Pipeline Group Inc.	Pipeline transportation of natural gas	TransCanada Corp.	Pipeline transportation of natural gas	Not Applicable	Cash/Stock	\$14,035.8	\$13,104.9	\$309.0	2.2%	2.4%
03/20/2016	Completed	Valspar Corp.	Manufactures and wholesales paints and coatings	Sherwin-Williams Co.	Manufactures and wholesales paint, related products	Not Applicable	Cash	\$11,454.6	\$11,303.3	\$300.0	2.6%	2.7%
03/25/2016	Completed	First Marblehead Corp.	Provides loan outsourcing services	FP Resources USA Inc.	Investment company	Going Private	Cash	\$65.5	NA	\$2.6	4.0%	NA
04/04/2016	Completed	Virgin America Inc.	Schedules passenger air transportation	Alaska Air Group Inc.	Provides air transportation services	Not Applicable	Cash/Stock	\$4,207.0	\$2,376.6	\$78.5	1.9%	3.3%
04/04/2016	Completed	Ruckus Wireless Inc.	Manufactures other computer peripheral equipment	Brocade Communications Systems Inc.	Develops data communication software	Tender Offer	Cash/Stock	\$1,414.4	\$1,187.7	\$50.0	3.5%	4.2%
04/04/2016	Completed	Chicopee Bancorp Inc.	Bank holding company	Westfield Financial Inc.	Bank holding company	Stock Swap	Stock	\$110.8	NA	\$4.0	3.6%	NA
04/07/2016	Completed	Alliance Fiber Optic Products	Manufactures semiconductors	Corning Inc.	Manufactures and wholesales optical fiber, cable	Tender Offer	Cash/Stock	\$297.2	\$271.0	\$10.5	3.5%	3.9%
04/11/2016	Completed	Hatteras Financial Corp.	Real estate investment trust	Annaly Capital Management Inc.	Real estate investment trust	Stock Swap	Cash/Stock	\$1,498.3	NA	\$44.9	3.0%	NA
04/19/2016	Completed	Lexmark International Inc.	Manufactures and wholesales printers	Ninestar Holdings Co. Ltd.	Other financial vehicles	Going Private	Cash	\$2,745.3	\$3,406.6	\$95.0	3.5%	2.8%
04/20/2016	Completed	Hansen Medical Inc.	Manufactures medical robotics	Auris Surgical Robotics Inc.	Develops robotics technology for medical applications.	Going Private	Cash	\$80.1	\$97.3	\$3.3	4.2%	3.4%
04/27/2016	Completed	ExamWorks Group Inc.	Provides medical examination services	Leonard Green & Partners LP	Private equity firm	Going Private	Cash/Stock	\$1,520.8	NA	\$47.0	3.1%	NA
04/28/2016	Completed	DreamWorks Animation SKG Inc.	Provides animated film distribution services	NBCUniversal Media LLC	Owens and operates television broadcasting stations	Not Applicable	Cash	\$3,596.5	\$3,579.9	\$152.0	4.2%	4.2%
04/28/2016	Completed	Textura Corp.	Develops construction software	Oracle Corp.	Develops enterprise software	Tender Offer	Cash	\$701.9	\$619.6	\$24.0	3.4%	3.9%
04/28/2016	Completed	St Jude Medical Inc.	Manufactures and wholesales medical devices	Abbott Laboratories	Manufactures and wholesales pharmaceutical, medical equipment	Not Applicable	Cash/Stock	\$30,336.6	\$30,002.6	\$685.0	2.3%	2.3%
04/28/2016	Completed	Cash America International Inc.	Owens and operates pawnshops	First Cash Fin. Services Inc.	Owens and operates pawnshops	Stock Swap	Stock	\$1,000.9	\$1,091.4	\$30.0	3.0%	2.7%
04/29/2016	Completed	TiVo Inc.	Provides cable TV services	Rovi Corp.	Lessors of nonfinancial intangible assets	Stock Swap	Cash/Stock	\$1,355.9	\$752.3	\$36.6	2.7%	4.9%
04/29/2016	Completed	Parkway Properties Inc.	Real estate investment trust	Cousins Properties Inc.	Real estate investment trust	Stock Swap	Stock	\$1,960.8	NA	\$65.0	3.3%	NA
05/02/2016	Completed	Opower Inc.	Software publishers	Oracle Corp.	Develops enterprise software	Not Applicable	Cash	\$573.5	\$509.0	\$20.0	3.5%	3.9%
05/02/2016	Completed	Symmetry Surgical Inc.	Manufactures surgical appliances and supplies	RoundTable Healthcare Partners	Private equity firm	Going Private	Cash	\$127.1	NA	\$5.6	4.4%	NA

# 2016 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquiror Name	Acquiror Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Target's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
05/03/2016	Completed	Your Community Bankshares Inc.	Commercial banking	WesBanco Inc., Wheeling, WV	Bank holding company	Stock Swap	Cash/Stock	\$212.9	NA	\$7.5	3.5%	NA
05/03/2016	Completed	IMS Health Holdings Inc.	Data processing, hosting, and related services	Quintiles Transnational	Provides pharmaceutical research, develops services	Stock Swap	Cash/Stock	\$13,644.8	\$13,266.8	\$250.0	1.8%	1.9%
05/05/2016	Completed	Lake Sunapee Bank Group	Savings institutions	Bar Harbor Bankshares, ME	Bank holding company	Stock Swap	Stock	\$143.9	NA	\$5.5	3.8%	NA
05/09/2016	Completed	Krispy Kreme Doughnuts Inc.	Retails and wholesales doughnuts	JAB Beech Inc.	Manufactures and wholesales personal care products	Going Private	Cash	\$1,309.0	\$1,291.9	\$42.0	3.2%	3.3%
05/09/2016	Completed	Morgans Hotel Group Co.	Owns and operates boutique hotels	SBEEG Holdings LLC	Hotels (except casino hotels) and motels	Going Private	Cash	\$794.0	\$625.3	\$6.5	0.8%	1.0%
05/16/2016	Completed	Anacor Pharmaceuticals Inc.	Biopharmaceutical company	Pfizer Inc.	Manufactures and wholesales pharmaceuticals	Tender Offer	Cash	\$4,633.5	\$4,497.8	\$180.8	3.9%	4.0%
05/18/2016	Completed	inContact Inc.	Provides call center services	NICE Systems Ltd.	Develops business software	Not Applicable	Cash	\$887.7	\$884.5	\$34.1	3.8%	3.9%
05/23/2016	Completed	Xura Inc.	Other business support services	Siris Capital Group LLC	Private equity firm	Going Private	Cash	\$625.6	NA	\$12.9	2.1%	NA
05/23/2016	Completed	Resource America Inc.	Provides asset management services	C-III Capital Partners LLC	Provides real estate investment services	Going Private	Cash	\$223.3	NA	\$6.7	3.0%	NA
05/23/2016	Completed	XenoPort Inc.	Biotechnology company	Arbor Pharmaceuticals LLC	Manufactures pharmaceuticals	Going Private	Cash	\$448.2	\$439.9	\$16.5	3.7%	3.8%
05/23/2016	Completed	American Capital Ltd.	Private equity firm	Ares Capital Corp.	Business development company	Stock Swap	Cash/Stock	\$3,153.6	\$3,644.7	\$140.0	4.4%	3.8%
05/27/2016	Completed	FEI Co.	Manufactures particle beam systems	Thermo Fisher Scientific Inc.	Manufactures analytical technology, equipment	Not Applicable	Cash	\$4,425.8	\$4,075.9	\$175.0	4.0%	4.3%
05/31/2016	Completed	Marketo Inc.	Software publishers	Vista Equity Partners LLC	Private equity firm	Going Private	Cash	\$1,652.4	NA	\$49.2	3.0%	NA
05/31/2016	Completed	Celator Pharmaceuticals Inc.	Pharmaceutical preparation manufacturing	Jazz Pharmaceuticals PLC	Manufactures prescription pharmaceuticals	Tender Offer	Cash	\$1,448.0	\$1,393.6	\$45.8	3.2%	3.3%
05/31/2016	Completed	Electro Rent Corp.	Provides electronic equipment leasing services	Platinum Equity LLC	Private equity firm	Going Private	Cash	\$382.1	NA	\$19.1	5.0%	NA
05/31/2016	Pending	Great Plains Energy Inc.	Electric utility company	Westar Energy Inc.	Electric utility company	Stock Swap	Cash/Stock	\$12,200.0	\$11,613.0	\$190.0	1.6%	1.6%
06/01/2016	Completed	Demandware Inc.	Develops internet software	Salesforce.com Inc.	Provides software integrated services	Tender Offer	Cash	\$2,989.3	\$2,793.5	\$107.0	3.6%	3.8%
06/02/2016	Completed	Qlik Technologies Inc.	Develops software solutions	Thoma Bravo LLC	Private equity firm	Going Private	Cash	\$2,943.3	NA	\$103.4	3.5%	NA
06/03/2016	Completed	Talen Energy Corp.	Electric power distribution	Riverstone Holdings LLC	Private equity firm	Going Private	Cash	\$1,169.7	NA	\$50.0	4.3%	NA
06/07/2016	Completed	LDR Holding Corp.	Develops and markets medical devices	Zimmer Biomet Holdings Inc.	Surgical appliance and supplies manufacturing	Tender Offer	Cash	\$1,105.9	\$1,009.6	\$34.2	3.1%	3.4%
06/13/2016	Completed	LinkedIn Corp.	Internet publishing and broadcasting and web search portals	Microsoft Corp.	Develops computer software	Not Applicable	Cash	\$29,039.8	\$25,880.2	\$725.0	2.5%	2.8%
06/15/2016	Completed	QLogic Corp.	Manufactures and wholesales networking devices	Cavium Inc.	Semiconductor and related device manufacturing	Tender Offer	Cash/Stock	\$1,352.6	\$946.9	\$47.8	3.5%	5.0%
06/15/2016	Completed	Envision Healthcare Holding Inc.	Offices of physicians (except mental health specialists)	AmSurg Corp.	Provides ambulatory surgery services	Stock Swap*	Stock	\$8,132.3	\$7,940.7	\$180.0	2.2%	2.3%
06/17/2016	Completed	Southeastern Bank Financial Co.	Bank holding company	South State Corp.	Commercial banking	Stock Swap	Cash/Stock	\$338.3	NA	\$14.0	4.1%	NA
06/21/2016	Completed	American Science & Engineering	Manufactures x-ray equipment	OSI Systems Inc.	Manufactures and wholesales optoelectronic devices	Not Applicable	Cash	\$270.3	\$181.9	\$11.0	4.1%	6.0%
06/21/2016	Completed	Carolina Bank Holdings Inc., NC	Bank holding company	First Bancorp, Troy, NC	Bank holding company	Stock Swap	Cash/Stock	\$196.8	NA	\$3.5	1.8%	NA

# 2016 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquiror Name	Acquiror Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Target's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
06/21/2016	Completed	SolarCity Corp.	Electrical contractors	Tesla Motors Inc.	Manufactures electric vehicles	Stock Swap	Stock	\$2,589.8	\$5,690.8	\$78.2	3.0%	1.4%
06/24/2016	Withdrawn	Skullcandy Inc.	Manufactures and wholesales headphones and earbuds	Incipio Technologies Inc.	Manufactures and wholesales device accessories	Going Private	Cash	\$187.9	\$134.8	\$6.6	3.5%	4.9%
06/24/2016	Completed	Full Circle Capital Corp.	Business development company	Great Elm Capital Corp.	Investment company	Not Applicable	Cash	\$81.0	NA	\$3.0	3.7%	NA
06/27/2016	Completed	Heartware International Inc.	Manufactures and wholesales heart pumps	Medtronic PLC	Navigational, measuring, electromedical, and control instruments manufacturing	Tender Offer	Cash	\$1,022.7	\$1,024.0	\$27.5	2.7%	2.7%
06/27/2016	Completed	ReachLocal Inc.	Provides online marketing services	Gannett Co. Inc.	Newspaper publishers	Not Applicable	Cash	\$138.4	\$156.1	\$5.3	3.8%	3.4%
06/27/2016	Completed	Suffolk Bancorp	Commercial bank holding company	People's United Financial Inc.	Bank holding company	Stock Swap	Stock	\$398.0	NA	\$16.0	4.0%	NA
06/29/2016	Completed	Diamond Resorts International	Owens and operates hotels and resorts	Apollo Global Management LLC	Private equity firm	Tender Offer	Cash	\$2,224.0	NA	\$44.6	2.0%	NA
06/29/2016	Completed	PrivateBancorp Inc.	Bank holding company	Canadian Imperial Bank of Commerce	Provide banking services	Stock Swap	Cash/Stock	\$4,977.0	NA	\$198.0	4.0%	NA
06/30/2016	Completed	Starz	Provides cable TV services	Lions Gate Entertainment Corp.	Provides motion picture production services	Not Applicable	Cash/Stock	\$3,229.2	\$4,836.8	\$150.0	4.6%	3.1%
07/05/2016	Completed	Thompson Creek Metals Co. Inc.	Copper ore and nickel ore mining	Centerra Gold Inc.	Gold mining company	Stock Swap	Stock	\$1,009.7	\$1,093.7	\$35.0	3.5%	3.2%
07/06/2016	Completed	Nortek Inc.	Manufactures and wholesales building products	Nevada Corp.	Turbine and turbine generator set units manufacturing	Tender Offer	Cash	\$1,398.9	\$2,723.9	\$50.0	3.6%	1.8%
07/07/2016	Completed	The WhiteWave Foods Co.	Manufactures dry, condensed, and evaporated dairy products	Danone SA	Produces and wholesales dairy products	Not Applicable	Cash/Stock	\$10,355.6	\$12,374.3	\$310.0	3.0%	2.5%
07/08/2016	Completed	Polycom Inc.	Manufactures and wholesales communication equipment	Siris Capital Group LLC	Private equity firm	Going Private	Cash	\$1,697.3	NA	\$60.0	3.5%	NA
07/11/2016	Completed	Sagent Pharmaceuticals Inc.	Manufactures pharmaceuticals	Nichi-iko Pharmaceutical Co. Ltd.	Manufactures and wholesales pharmaceuticals	Tender Offer	Cash	\$722.9	\$693.2	\$24.3	3.4%	3.5%
07/13/2016	Completed	Imprivata Inc.	Software publishers	Thoma Bravo LLC	Private equity firm	Going Private	Cash	\$487.6	NA	\$13.6	2.8%	NA
07/13/2016	Completed	Ocean Shore Holding Co.	Commercial bank investment holding company	OceanFirst Financial Corp.	Provides banking services	Stock Swap	Cash/Stock	\$148.1	NA	\$5.7	3.9%	NA
07/19/2016	Completed	Golden Enterprises Inc.	Manufactures potato chips	Utz Quality Foods Inc.	Produces and wholesales snack products	Going Private	Cash	\$135.5	\$139.9	\$5.4	4.0%	3.9%
07/20/2016	Completed	Relypsa Inc.	Manufactures pharmaceuticals	Galenica AG	Manufactures and wholesales pharmaceuticals	Tender Offer	Cash	\$1,498.8	\$1,396.7	\$49.0	3.3%	3.5%
07/21/2016	Completed	Yadkin Financial Corp.	Bank holding company	FNB Corp., Pittsburgh, PA	Bank holding company	Stock Swap	Stock	\$1,449.6	NA	\$45.0	3.1%	NA
07/26/2016	Completed	Linear Technology Corp.	Manufactures and wholesales integrated circuits	Analog Devices Inc.	Manufactures semiconductors	Not Applicable	Cash/Stock	\$14,375.6	\$12,927.3	\$490.0	3.4%	3.8%
07/27/2016	Completed	Epiq Systems Inc.	Provides software programming services	Epiq Systems Inc. SPV	Other financial vehicles	Going Private	Cash	\$625.7	\$1,004.2	\$15.0	2.4%	1.5%
07/27/2016	Completed	Sequenom Inc.	Manufactures DNA detection equipment	Laboratory Corp of America Holdings	Provides clinical trial services	Tender Offer	Cash	\$286.2	\$352.7	\$10.6	3.7%	3.0%
07/28/2016	Completed	NetSuite Inc.	Develops ERP and CRM software	Oracle Corp.	Develops enterprise software	Tender Offer	Cash	\$8,891.2	\$8,716.0	\$300.0	3.4%	3.4%
08/03/2016	Completed	Sizmek Inc.	Display advertising	Vector Capital Management LP	Private equity firm	Going Private	Cash	\$113.6	NA	\$4.3	3.7%	NA
08/07/2016	Completed	Mattress Firm Holding Corp.	Furniture stores	Steinhoff International Holdings, NV	Upholstered household furniture manufacturing	Tender Offer	Cash	\$2,421.0	\$3,764.0	\$73.2	3.0%	1.9%
08/08/2016	Completed	EverBank Financial Corp.	Bank holding company	Teachers Insurance & Annuity	Investment advice	Going Private	Cash	\$2,492.1	NA	\$93.2	3.7%	NA

# 2016 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquiror Name	Acquiror Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Target's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
08/09/2016	Completed	Monster Worldwide Inc.	Provides online recruitment services	Merlin Global Acquisition Inc.	Other financial vehicles	Tender Offer	Cash	\$405.3	\$382.8	\$9.0	2.2%	2.4%
08/11/2016	Completed	Silicon Graphics International	Manufactures and wholesales server and storage products	Hewlett Packard Enterprise Co.	Manufactures electronic computers	Not Applicable	Cash	\$300.3	\$269.4	\$12.2	4.1%	4.5%
08/15/2016	Completed	Providence & Worcester Railroad Co.	Owns and operates railroads	Genesee & Wyoming Inc.	Line-haul railroads	Not Applicable	Cash	\$122.3	\$118.7	\$3.8	3.1%	3.2%
08/15/2016	Completed	Post Properties Inc.	Real estate investment trust	Mid-America Apartment Communities Cintas Corp.	Real estate investment trust	Going Private	Stock	\$3,883.7	NA	\$117.0	3.0%	NA
08/16/2016	Completed	G&K Services Inc.	Industrial launderers	Cintas Corp.	Manufactures and provides uniform rental services	Not Applicable	Cash	\$1,960.2	\$2,167.0	\$60.0	3.1%	2.8%
08/18/2016	Completed	Cardinal Financial Corp.	Bank holding company	United Bankshares Inc., WV	Bank holding company	Stock Swap	Stock	\$909.5	NA	\$36.0	4.0%	NA
08/19/2016	Completed	CIFC Corp.	Investment management services	FAB Partners LP	Miscellaneous financial investment activities	Going Private	Cash	\$283.4	NA	\$13.3	4.7%	NA
08/22/2016	Completed	Medivation Inc.	Pharmaceutical preparation manufacturing	Pfizer Inc.	Manufactures and wholesales pharmaceuticals	Tender Offer	Cash	\$14,118.3	\$13,789.6	\$510.0	3.6%	3.7%
08/23/2016	Completed	Commercial Bancshares Inc., OH	Commercial bank company	First Defiance Financial, OH	Bank holding company	Stock Swap	Cash/Stock	\$63.1	NA	\$2.4	3.8%	NA
08/25/2016	Completed	AEP Industries Inc.	Manufactures polyethylene plastic film	Berry Plastics Group Inc.	Manufactures and wholesales plastic products	Stock Swap	Cash/Stock	\$566.5	\$713.8	\$20.0	3.5%	2.8%
08/29/2016	Completed	USMD Holdings Inc.	Provides healthcare services	WellMed Medical Management Inc.	Provides health care management services	Going Private	Cash	\$254.4	\$285.6	\$10.0	3.9%	3.5%
08/31/2016	Completed	Interactive Intelligence Group	Provides business communication software development services	Genesys Telecom Labs Inc.	Develops contact center software	Going Private	Cash	\$1,373.8	\$1,327.4	\$43.0	3.1%	3.2%
09/02/2016	Completed	Accuride Corp.	Manufactures and wholesales vehicle components	Crestview Partners LP	Private equity firm	Going Private	Cash	\$460.9	NA	\$8.0	1.7%	NA
09/06/2016	Completed	Cepheid Inc.	Manufactures biological testing equipment	Danaher Corp.	Manufactures tools, control equipment	Not Applicable	Cash	\$3,954.1	\$3,917.6	\$131.0	3.3%	3.3%
09/06/2016	Completed	Spectra Energy Corp.	Provides gas transmission services	Enbridge Inc.	Owns and operates pipelines	Stock Swap	Stock	\$47,005.2	\$43,144.2	\$1,000.0	2.1%	2.3%
09/08/2016	Completed	Apigee Corp.	Software publishers	Google Inc.	Internet publishing and broadcasting and web search portals	Not Applicable	Cash/Stock	\$624.3	\$513.9	\$21.8	3.5%	4.2%
09/12/2016	Completed	Raptor Pharmaceutical Corp.	Manufactures biopharmaceuticals	Horizon Pharma PLC	Pharmaceutical preparation manufacturing	Not Applicable	Cash	\$774.5	\$750.6	\$30.0	3.9%	4.0%
09/12/2016	Completed	American Farmland Co.	Lessors of other real estate property	Farmland Partners Inc.	Lessors of other real estate property	Stock Swap	Stock	\$224.1	\$302.7	\$6.0	2.7%	2.0%
09/13/2016	Completed	Intersil Corp.	Manufactures semiconductors	Renesas Electronics Corp.	Manufactures and wholesales semiconductors	Not Applicable	Cash	\$3,260.7	\$3,003.8	\$96.5	3.0%	3.2%
09/14/2016	Completed	Vitae Pharmaceuticals Inc.	Pharmaceutical preparation manufacturing	Allergan PLC	Pharmaceutical preparation manufacturing	Not Applicable	Cash	\$629.7	\$552.3	\$19.2	3.0%	3.5%
09/19/2016	Completed	Infoblox Inc.	Data processing, hosting, and related services	Vista Equity Partners LLC	Private equity firm	Going Private	Cash	\$1,526.0	NA	\$42.9	2.8%	NA
09/19/2016	Completed	Isle of Capri Casinos Inc.	Owns and operates casinos	Eldorado Resorts Inc.	Casino hotels	Not Applicable	Cash/Stock	\$969.9	\$1,807.5	\$30.0	3.1%	1.7%
09/20/2016	Completed	Tobira Therapeutics Inc.	Pharmaceutical preparation manufacturing	Allergan PLC	Pharmaceutical preparation manufacturing	Tender Offer	Cash/Stock	\$1,524.6	\$561.0	\$19.3	1.3%	3.4%
09/22/2016	Completed	WCI Communities Inc.	Owns and operates leisure communities	Lennar Corp.	Construction of residential buildings	Stock Swap	Cash/Stock	\$619.0	\$502.1	\$22.5	3.6%	4.5%
09/25/2016	Completed	Chemtura Corp.	Manufactures and wholesales specialty chemicals	Lanxess AG	Manufactures and wholesales chemicals; holding company	Not Applicable	Cash	\$2,109.7	\$2,399.7	\$75.0	3.6%	3.1%
09/26/2016	Completed	BATS Global Markets Inc.	Securities and commodity exchanges	CBOE Holdings Inc.	Provides securities exchange services	Stock Swap	Cash/Stock	\$3,047.1	\$3,496.7	\$110.0	3.6%	3.1%

# 2016 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquiror Name	Acquiror Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Target's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
09/27/2016	Completed	EndoChoice Holdings Inc.	Surgical appliance and supplies manufacturing	Boston Scientific Corp.	Manufactures and wholesales medical devices	Tender Offer	Cash	\$203.1	\$188.9	\$8.0	3.9%	4.2%
10/03/2016	Pending	Cabelas Inc.	Owens and operates outdoor sports stores	Bass Pro Group LLC	Manufactures, wholesales, and retails sports equipment	Going Private	Cash	\$4,210.6	\$8,261.0	\$126.0	3.0%	1.5%
10/03/2016	Completed	DCB Financial Corp.	Commercial banking	First Commonwealth Fin. Corp.	Bank holding company	Stock Swap	Cash/Stock	\$107.0	NA	\$5.3	5.0%	NA
10/03/2016	Completed	Janus Capital Group Inc.	Provides investment management services	Henderson Group PLC	Investment advice	Stock Swap	Stock	\$3,782.3	NA	\$34.0	0.9%	NA
10/10/2016	Completed	Gas Natural Inc.	Provides natural gas distribution services	First Reserve Corp.	Private equity firm	Going Private	Cash	\$137.8	NA	\$4.8	3.5%	NA
10/10/2016	Completed	Glacier Water Services Inc.	Owens and operates water vending machines	Primo Water Corp.	Manufactures and wholesales water dispensers	Not Applicable	Cash/Stock	\$263.0	\$263.0	\$7.5	2.9%	2.9%
10/14/2016	Completed	Alon USA Energy Inc.	Petroleum refineries	Delek US Holdings Inc.	Manufactures and wholesales petroleum refined products	Stock Swap	Stock	\$459.8	\$984.2	\$15.0	3.3%	1.5%
10/21/2016	Completed	Everyday Health Inc.	Other business support services	Ziff Davis LLC	Provides digital media services	Not Applicable	Cash	\$355.1	\$447.5	\$15.2	4.3%	3.4%
10/21/2016	Completed	Reynolds American Inc.	Produces cigarettes, tobacco	British American Tobacco PLC	Produces and wholesales cigarettes, tobacco	Stock Swap	Cash/Stock	\$63,027.0	\$97,391.1	\$1,000.0	1.6%	1.0%
10/22/2016	Pending	Time Warner Inc.	Provides film, TV entertainment services	AT&T Inc.	Provides telecommunications services	Stock Swap	Cash/Stock	\$109,363.6	\$107,055.6	\$1,725.0	1.6%	1.6%
10/23/2016	Completed	B/E Aerospace Inc.	Aircraft engine and engine part manufacturing	Rockwell Collins Inc.	Manufactures aviation electronics products	Not Applicable	Cash/Stock	\$8,200.8	\$8,211.3	\$200.0	2.4%	2.4%
10/24/2016	Completed	Merchants Bancshares Inc., VT	Bank holding company	Community Bank System Inc.	Bank holding company	Stock Swap	Cash/Stock	\$314.9	NA	\$10.7	3.4%	NA
10/24/2016	Completed	Middleburg Financial Corp.	Bank holding company	Access National Corp.	Bank holding company	Stock Swap	Stock	\$246.1	NA	\$9.9	4.0%	NA
10/25/2016	Pending	Trans Energy Inc.	Oil and gas exploration and production company	EQT Corp.	Provides gas exploration, production, and distribution services	Not Applicable	Cash	\$202.1	\$201.8	\$4.0	2.0%	2.0%
10/27/2016	Pending	NXP Semiconductors NV	Semiconductor and related device manufacturing	Qualcomm Inc.	Manufactures and wholesales wireless communication equipment	Tender Offer	Cash/Stock	\$49,578.5	\$48,009.5	\$1,250.0	2.5%	2.6%
10/31/2016	Completed	Team Health Holdings Inc.	Other miscellaneous ambulatory health care services	Blackstone Group LP	Private equity, investment firm	Not Applicable	Cash	\$3,312.9	NA	\$50.4	1.5%	NA
10/31/2016	Pending	Level 3 Communications Inc.	Provides telecommunications services	CenturyLink Inc.	Provides telecommunications services	Stock Swap	Cash/Stock	\$36,045.7	\$34,476.7	\$737.5	2.0%	2.1%
10/31/2016	Completed	Baker Hughes Inc.	Manufactures oil, natural gas machinery	GE Oil & Gas	Oil and gas field machinery and equipment manufacturing	Stock Swap	Cash/Stock	\$32,394.5	\$31,680.5	\$750.0	2.3%	2.4%
11/02/2016	Pending	Brocade Communications Systems Inc.	Develops data communication software	Broadcom Ltd.	Semiconductor and related device manufacturing	Not Applicable	Cash	\$5,535.8	\$5,857.5	\$195.0	3.5%	3.3%
11/03/2016	Pending	Lattice Semiconductor Corp.	Manufactures semiconductor components	Canyon Bridge Capital Part Inc.	Other financial vehicles	Going Private	Cash	\$1,037.4	\$1,273.9	\$34.2	3.3%	2.7%
11/04/2016	Completed	First Menasha Bancshares Inc.	Commercial banking	Nicolet Bankshares Inc.	Commercial banking	Stock Swap	Cash/Stock	\$77.2	NA	\$3.3	4.2%	NA
11/07/2016	Completed	Blue Nile Inc.	Provides online retailing services	Blue Nile Inc. SPV	Other financial vehicles	Going Private	Cash	\$478.9	\$438.8	\$17.4	3.6%	4.0%
11/07/2016	Completed	Datalink Corp.	Provides data center services	Insight Enterprises Inc.	Provides information technology services	Going Private	Cash	\$267.9	\$232.9	\$7.5	2.8%	3.2%
11/07/2016	Completed	EarthLink Holdings Corp.	Internet service providers	Windstream Holdings Inc.	Wired telecommunications carriers	Stock Swap	Stock	\$1,119.6	\$1,060.7	\$35.0	3.1%	3.3%
11/10/2016	Completed	TubeMogul Inc.	Software publishers	Adobe Systems Inc.	Develops software	Tender Offer	Cash	\$611.3	\$473.9	\$21.0	3.4%	4.4%
11/14/2016	Completed	Harman International Industries Inc.	Manufactures and wholesales audio, video system products	Samsung Electronics Co. Ltd.	Manufactures and wholesales electronic products	Not Applicable	Cash	\$9,382.3	\$8,861.6	\$240.0	2.6%	2.7%



# 2016 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquiror Name	Acquiror Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Target's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
11/14/2016	Completed	Mentor Graphics Corp.	Develops electronic automation systems	Siemens AG	Manufactures and wholesales telecommunications equipment	Not Applicable	Cash	\$4,314.7	\$4,164.1	\$134.5	3.1%	3.2%
11/14/2016	Pending	SciClone Pharmaceuticals Inc.	Manufactures pharmaceutical preparations	SciClone Pharms Inc. SPV	Special purpose acquisition vehicle	Not Applicable	Cash	\$540.3	\$522.0	\$15.8	2.9%	3.0%
11/14/2016	Completed	Equity One Inc.	Real estate investment trust	Regency Centers Corp.	Real estate investment trust	Stock Swap	Stock	\$4,484.8	NA	\$150.0	3.3%	NA
11/15/2016	Completed	TFB Bancorp Inc.	Commercial banking	Glacier Bancorp Inc.	Bank holding company	Not Applicable	Cash/Stock	\$62.4	NA	\$2.5	4.0%	NA
11/17/2016	Completed	Universal American Corp.	Direct health and medical insurance carriers	Wellcare Health Plans Inc.	Provides managed care services	Not Applicable	Cash	\$600.1	\$467.6	\$18.0	3.0%	3.8%
11/17/2016	Completed	Cascade Bancorp, Bend, OR	Bank holding company	First Interstate BancSystem Inc.	Bank holding company	Stock Swap	Cash/Stock	\$587.1	NA	\$22.1	3.8%	NA
11/20/2016	Completed	LifeLock Inc.	Develops identity theft protection software	Symantec Corp.	Develops security, system management software	Not Applicable	Cash	\$2,449.5	\$2,283.4	\$87.5	3.6%	3.8%
11/21/2016	Completed	Headwaters Inc.	Manufactures building products	Boral Ltd.	Manufactures and wholesales building, construction materials	Not Applicable	Cash	\$1,798.5	\$2,487.7	\$65.0	3.6%	2.6%
11/21/2016	Completed	Applied Micro Circuits Corp.	Manufactures integrated circuits	MACOM Technology Solutions Holdings, Inc.	Manufactures semiconductor technologies	Tender Offer	Cash/Stock	\$761.3	\$679.3	\$30.0	3.9%	4.4%
11/21/2016	Completed	Energy Transfer Partners LP	Owms and operates natural gas pipelines	Sunoco Logistics Partners LP	Owms and operates refined oil pipelines	Stock Swap	Stock	\$21,318.7	\$51,425.7	\$630.0	3.0%	1.2%
11/25/2016	Completed	Constellation Healthcare Technologies	Other miscellaneous ambulatory health care services	CC Capital Management LLC	Investment management services	Going Private	Cash	\$322.7	NA	\$16.1	5.0%	NA
12/01/2016	Completed	CLARCOR Inc.	Manufactures and wholesales mobile filtration products	Parker Hannifin Corp.	Manufactures and wholesales fluid power systems	Not Applicable	Cash/Stock	\$4,094.3	\$4,244.9	\$113.0	2.8%	2.7%
12/02/2016	Completed	Vascular Solutions Inc.	Manufactures vascular sealing device	Teleflex Inc.	Manufactures and wholesales surgical instruments	Not Applicable	Cash/Stock	\$1,009.2	\$970.1	\$35.0	3.5%	3.6%
12/05/2016	Completed	FairPoint Communications Inc.	Provides communication services	Consolidated Communications Holdings, Inc.	Provides telecommunications services	Stock Swap	Stock	\$570.3	\$1,445.0	\$18.9	3.3%	1.3%
12/06/2016	Completed	IntraLinks Holdings Inc.	Develops content management software	Synchronoss Technologies Inc.	Develops transaction management software	Not Applicable	Cash	\$768.3	\$800.5	\$24.6	3.2%	3.1%
12/09/2016	Completed	Stillwater Mining Co.	Other metal ore mining	Sibanye Gold Ltd.	Gold mining company	Not Applicable	Cash	\$2,179.6	\$2,009.2	\$16.5	0.8%	0.8%
12/12/2016	Completed	Lionbridge Technologies Inc.	Develops translation software	H.I.G. Capital LLC	Private equity firm	Going Private	Cash	\$353.6	NA	\$10.7	3.0%	NA
12/12/2016	Completed	Seventy Seven Energy Inc.	Crude petroleum and natural gas extraction	Patterson-UTI Energy Inc.	Provides contract drilling services	Stock Swap	Cash/Stock	\$1,460.2	\$1,529.6	\$40.0	2.7%	2.6%
12/13/2016	Completed	Eastern Virginia Bankshares	Commercial bank holding company	Southern National Bancorp of Virginia	Bank holding company	Stock Swap	Stock	\$194.0	NA	\$7.5	3.9%	NA
12/13/2016	Completed	Heritage Oaks Bancorp	Bank holding company	Pacific Premier Bancorp Inc.	Bank holding company	Stock Swap	Stock	\$404.3	NA	\$15.0	3.7%	NA
12/14/2016	Pending	NeuStar Inc.	Provides real-time information services	NeuStar Inc. SPV	Other financial vehicles	Going Private	Cash	\$2,942.1	\$2,885.9	\$120.0	4.1%	4.2%
12/14/2016	Pending	Southwest Bancorp Inc., OK	Bank holding company	Simmons First Natl. Corp.	Bank holding company	Stock Swap	Cash/Stock	\$567.7	NA	\$20.0	3.5%	NA
12/18/2016	Completed	Allied World Assur Co. Hldgs.	Insurance company	Fairfax Financial Holdings Ltd.	Reinsurance carriers	Tender Offer	Cash/Stock	\$6,108.3	\$6,151.8	\$196.0	3.2%	3.2%
12/19/2016	Completed	Calamos Asset Management Inc.	Investment holding company	Investor Group	Investor group	Tender Offer	Cash	\$138.2	NA	\$2.5	1.8%	NA
12/19/2016	Completed	FCB Bancorp	Bank (U.S.) holding company	MainSource Financial Group Inc.	Bank holding company	Stock Swap	Cash/Stock	\$53.6	NA	\$2.5	4.7%	NA
12/20/2016	Withdrawn	Destination Maternity Corp.	Manufactures and retails maternity apparel	Orchestra Premaman SA	Children's and infants' clothing stores	Stock Swap	Stock	\$98.8	\$235.7	\$5.0	5.1%	2.1%
12/21/2016	Completed	InvenSense Inc.	Develops motion sensing software	TDK Corp.	Other electronic component manufacturing	Not Applicable	Cash	\$1,246.0	\$1,127.5	\$46.7	3.7%	4.1%

## **2016 Reverse Transaction Termination Fee Detail**

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# 2016 Reverse Transaction Termination Fee Detail

Date Announced	Status	Target Name	Target Description	Acquiror Name	Target Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Acquiror's Termination Fee (mil)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
01/05/2016	Completed	Cape Bancorp Inc.	Bank holding company	OceanFirst Financial Corp.	Provides banking services	Stock Swap	Cash/Stock	\$200.5	NA	\$7.2	3.6%	NA
01/15/2016	Completed	Synutra International Inc.	Produces and wholesales dairy products	Investor Group	Investor group	Going Private*	Cash	\$128.2	NA	\$6.3	4.9%	NA
01/19/2016	Completed	Waste Connections Inc.	Provides solid waste services	Progressive Waste Solutions	Provides waste collection services	Stock Swap	Stock	\$5,932.0	\$8,132.1	\$150.0	2.5%	1.8%
01/25/2016	Completed	Johnson Controls Inc.	Manufactures industrial interior systems	Tyco International PLC	Security systems services (except locksmiths)	Stock Swap	Cash	\$22,659.7	\$27,701.7	\$375.0	1.7%	1.4%
01/26/2016	Completed	Talmer Bancorp Inc.	Other depository credit intermediation	Chemical Financial Corp.	Bank holding company	Stock Swap	Cash/Stock	\$1,097.2	NA	\$34.0	3.1%	NA
02/01/2016	Completed	Questar Corp.	Oil and gas exploration and production company	Dominion Resources Inc.	Electric and gas utility company	Not Applicable	Cash	\$4,380.2	\$6,068.3	\$154.0	3.5%	2.5%
02/04/2016	Completed	Cascade Microtech Inc.	Manufactures and wholesales measuring equipment	FormFactor Inc.	Manufactures and wholesales semiconductors	Not Applicable	Cash/Stock	\$348.4	\$312.6	\$16.2	4.7%	5.2%
02/06/2016	Completed	ITC Holdings Corp.	Electric utility company	Fortis Inc.	Provides electric, gas distribution services	Not Applicable	Cash/Stock	\$11,478.4	\$11,464.5	\$280.0	2.4%	2.4%
02/08/2016	Completed	Apollo Education Group Inc.	Colleges, universities, and professional schools	AP VIII Queso Holdings LP	Blank check company	Going Private	Cash	\$1,086.4	\$524.6	\$25.0	2.3%	4.8%
02/09/2016	Completed	Empire District Electric Co.	Electric and water utility	Liberty Utilities Co.	Electric, water utility company	Not Applicable	Cash	\$1,488.8	\$2,369.2	\$65.0	4.4%	2.7%
02/10/2016	Completed	Xenith Bankshares Inc.	Bank holding company	Hampton Roads Bankshares Inc.	Bank holding company	Stock Swap	Stock	\$101.7	NA	\$4.0	3.9%	NA
02/14/2016	Completed	Diligent Corp.	Software publishers	Insight Venture Partners LLC	Private equity firm	Going Private	Cash	\$628.8	NA	\$33.4	5.3%	NA
02/16/2016	Completed	The ADT Corp.	Provides security systems services	Apollo Global Management LLC	Private equity firm	Not Applicable	Cash	\$6,943.4	NA	\$421.0	6.1%	NA
02/17/2016	Completed	Ingram Micro Inc.	Wholesales computer software products	Tianjin Tianhai Invest Co. Ltd.	Deep sea freight transportation	Not Applicable	Cash	\$7,250.4	\$6,263.4	\$400.0	5.5%	6.4%
02/29/2016	Completed	API Technologies Corp.	Manufactures semiconductors	J.F. Lehman & Co.	Private equity firm	Going Private	Cash	\$111.7	NA	\$5.0	4.5%	NA
03/03/2016	Completed	Tumi Holdings Inc.	Personal leather goods manufacturing (except women's handbags and purses)	Samsonite International SA	Luggage manufacturing	Not Applicable	Cash	\$1,809.3	\$1,714.7	\$18.2	1.0%	1.1%
03/03/2016	Completed	Carmike Cinemas Inc.	Provides movie theater services	AMC Entertainment Holdings Inc.	Motion picture theaters (except drive-ins)	Not Applicable	Cash/Stock	\$827.2	\$1,179.3	\$50.0	6.0%	4.2%
03/14/2016	Completed	Fresh Market Inc.	Owns and operates grocery stores	Apollo Global Management LLC	Private equity firm	Tender Offer	Cash	\$1,340.9	NA	\$95.0	7.1%	NA
03/16/2016	Completed	Rofin-Sinar Technologies Inc.	Manufactures semiconductor and related devices	Coherent Inc.	Manufactures lasers, laser instrument systems	Not Applicable	Cash	\$929.7	\$781.6	\$65.0	7.0%	8.3%
04/19/2016	Completed	Lexmark International Inc.	Manufactures and wholesales printers	Ninestar Holdings Co. Ltd.	Other financial vehicles	Going Private	Cash	\$2,745.3	\$3,406.6	\$150.0	5.5%	4.4%
04/27/2016	Completed	ExamWorks Group Inc.	Provides medical examination services	Leonard Green & Partners LP	Private equity firm	Going Private	Cash/Stock	\$1,520.8	NA	\$94.0	6.2%	NA
04/28/2016	Completed	DreamWorks Animation SKG Inc.	Provides animated films distribution services	NBCUniversal Media LLC	Owns and operates television broadcasting stations	Not Applicable	Cash	\$3,596.5	\$3,579.9	\$200.0	5.6%	5.6%
04/28/2016	Completed	Cash America International Inc.	Owns and operates pawnshops	First Cash Fin. Services Inc.	Owns and operates pawnshops	Stock Swap	Stock	\$1,000.9	\$1,091.4	\$30.0	3.0%	2.7%
04/29/2016	Completed	TiVo Inc.	Provides cable TV services	Rovi Corp.	Lessors of nonfinancial intangible assets	Stock Swap	Cash/Stock	\$1,355.9	\$752.3	\$36.6	2.7%	4.9%

# 2016 Reverse Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquiror Name	Target Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Acquiror's Termination Fee (mil)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
05/03/2016	Completed	IMS Health Holdings Inc.	Data processing, hosting, and related services	Quintiles Transnational	Provides pharmaceutical research, develops services	Stock Swap	Cash/Stock	\$13,644.8	\$13,266.8	\$250.0	1.8%	1.9%
05/09/2016	Completed	Morgans Hotel Group Co.	Owns and operates boutique hotels	SBEEG Holdings LLC	Hotels (except casino hotels) and motels	Going Private	Cash	\$794.0	\$625.3	\$6.5	0.8%	1.0%
05/23/2016	Completed	Xura Inc.	Other business support services	Siris Capital Group LLC	Private equity firm	Going Private	Cash	\$625.6	NA	\$38.6	6.2%	NA
05/23/2016	Completed	American Capital Ltd.	Private equity firm	Ares Capital Corp.	Business development company	Stock Swap	Cash/Stock	\$3,153.6	\$3,644.7	\$140.0	4.4%	3.8%
05/31/2016	Pending	Great Plains Energy Inc.	Electric utility company	Westar Energy Inc.	Electric utility company	Stock Swap	Cash/Stock	\$12,200.0	\$11,613.0	\$190.0	1.6%	1.6%
06/02/2016	Completed	Qlik Technologies Inc.	Develops software solutions	Thoma Bravo LLC	Private equity firm	Going Private	Cash	\$2,943.3	NA	\$206.7	7.0%	NA
06/15/2016	Completed	Envision Healthcare Holding Inc.	Offices of physicians (except mental health specialists)	AmSurg Corp.	Provides ambulatory surgery services	Stock Swap	Stock	\$8,132.3	\$7,940.7	\$180.0	2.2%	2.3%
06/21/2016	Completed	American Science & Engineering	Manufactures x-ray equipment	OSI Systems Inc.	Manufactures and wholesales optoelectronic devices	Not Applicable	Cash	\$270.3	\$181.9	\$11.0	4.1%	6.0%
06/21/2016	Completed	SolarCity Corp.	Electrical contractors	Tesla Motors Inc.	Manufactures electric vehicles	Stock Swap	Stock	\$2,589.8	\$5,690.8	\$78.2	3.0%	1.4%
06/29/2016	Completed	Diamond Resorts International	Owns and operates hotels and resorts	Apollo Global Management LLC	Private equity firm	Tender Offer	Cash	\$2,224.0	NA	\$133.8	6.0%	NA
06/30/2016	Completed	Starz	Provide cable TV services	Lions Gate Entertainment Corp.	Provides motion picture production services	Not Applicable	Cash/Stock	\$3,229.2	\$4,836.8	\$175.0	5.4%	3.6%
07/06/2016	Completed	Nortek Inc.	Manufactures and wholesales building products	Nevada Corp.	Turbine and turbine generator set unit manufacturing	Tender Offer	Cash	\$1,398.9	\$2,723.9	\$7.7	0.5%	0.3%
07/08/2016	Completed	Polycom Inc.	Manufactures and wholesales communication equipment	Siris Capital Group LLC	Private equity firm	Going Private	Cash	\$1,697.3	NA	\$130.0	7.7%	NA
07/13/2016	Completed	Ocean Shore Holding Co.	Commercial bank investment holding company	OceanFirst Financial Corp.	Provides banking services	Stock Swap	Cash/Stock	\$148.1	NA	\$5.7	3.9%	NA
07/26/2016	Completed	Linear Technology Corp.	Manufactures and wholesales integrated circuits	Analog Devices Inc.	Manufactures semiconductors	Not Applicable	Cash/Stock	\$14,375.6	\$12,927.3	\$700.0	4.9%	5.4%
07/27/2016	Completed	Epiq Systems Inc.	Provides software programming services	Epiq Systems Inc. SPV	Other financial vehicles	Going Private	Cash	\$625.7	\$1,004.2	\$30.0	4.8%	3.0%
08/07/2016	Completed	Mattress Firm Holding Corp.	Furniture stores	Steinhoff International Holdings, NV	Upholstered household furniture manufacturing	Tender Offer	Cash	\$2,421.0	\$3,764.0	\$73.2	3.0%	1.9%
08/15/2016	Completed	Post Properties Inc.	Real estate investment trust	Mid-America Apartment Communities	Real estate investment trust	Going Private	Stock	\$3,883.7	NA	\$245.0	6.3%	NA
08/16/2016	Completed	G&K Services Inc.	Industrial laundrers	Cintas Corp.	Manufactures and provides uniforms rental services	Not Applicable	Cash	\$1,960.2	\$2,167.0	\$100.0	5.1%	4.6%
08/18/2016	Completed	Cardinal Financial Corp.	Bank holding company	United Bankshares Inc., WV	Bank holding company	Stock Swap	Stock	\$909.5	NA	\$13.5	1.5%	NA
08/31/2016	Completed	Interactive Intelligence Group	Provides business communication software development services	Genesys Telecom Labs Inc.	Develops contact center software	Going Private	Cash	\$1,373.8	\$1,327.4	\$86.0	6.3%	6.5%
09/02/2016	Completed	Accuride Corp.	Manufactures and wholesales vehicle components	Crestview Partners LP	Private equity firm	Going Private	Cash	\$460.9	NA	\$12.5	2.7%	NA
09/06/2016	Completed	Spectra Energy Corp.	Provides gas transmission services	Enbridge Inc.	Owns and operates pipelines	Stock Swap	Stock	\$47,005.2	\$43,144.2	\$1,750.0	3.7%	4.1%
09/08/2016	Completed	Apigee Corp.	Software publishers	Google Inc.	Internet publishing and broadcasting and web search portals	Not Applicable	Cash/Stock	\$624.3	\$513.9	\$46.6	7.5%	9.1%

# 2016 Reverse Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquiror Name	Target Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Acquiror's Termination Fee (mil)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
09/12/2016	Completed	American Farmland Co.	Lessors of other real estate property	Farmland Partners Inc.	Lessors of other real estate property	Stock Swap	Stock	\$224.1	\$302.7	\$6.0	2.7%	2.0%
09/13/2016	Completed	Intersil Corp.	Manufactures semiconductors	Renesas Electronics Corp.	Manufactures and wholesales semiconductors	Not Applicable	Cash	\$3,260.7	\$3,003.8	\$96.5	3.0%	3.2%
09/19/2016	Completed	Infoblox Inc.	Data processing, hosting, and related services	Vista Equity Partners LLC	Private equity firm	Going Private	Cash	\$1,526.0	NA	\$101.3	6.6%	NA
09/19/2016	Completed	Isle of Capri Casinos Inc.	Owns and operates casinos	Eldorado Resorts Inc.	Casino hotels	Not Applicable	Cash/Stock	\$969.9	\$1,807.5	\$60.0	6.2%	3.3%
09/26/2016	Completed	BATS Global Markets Inc.	Securities and commodity exchanges	CBOE Holdings Inc.	Provides securities exchange services	Stock Swap	Cash/Stock	\$3,047.1	\$3,496.7	\$110.0	3.6%	3.1%
10/03/2016	Pending	Cabelas Inc.	Owns and operates outdoor sports stores	Bass Pro Group LLC	Manufactures, wholesales, and retails sports equipment	Going Private	Cash	\$4,210.6	\$8,261.0	\$230.0	5.5%	2.8%
10/03/2016	Completed	Janus Capital Group Inc.	Provides investment management services	Henderson Group PLC	Investment advice	Stock Swap	Stock	\$3,782.3	NA	\$34.0	0.9%	NA
10/10/2016	Completed	Gas Natural Inc.	Provides natural gas distribution services	First Reserve Corp.	Private equity firm	Going Private	Cash	\$137.8	NA	\$4.8	3.5%	NA
10/10/2016	Completed	Glacier Water Services Inc.	Owns and operates water vending machines	Primo Water Corp.	Manufactures and wholesales water dispensers	Not Applicable	Cash/Stock	\$263.0	\$263.0	\$7.5	2.9%	2.9%
10/14/2016	Completed	Alon USA Energy Inc.	Petroleum refineries	Delek US Holdings Inc.	Manufactures and wholesales petroleum refined products	Stock Swap	Stock	\$459.8	\$984.2	\$20.0	4.3%	2.0%
10/21/2016	Completed	Reynolds American Inc.	Produces cigarettes, tobacco	British American Tobacco PLC	Produces and wholesales cigarettes, tobacco	Stock Swap	Cash/Stock	\$63,027.0	\$97,391.1	\$1,000.0	1.6%	1.0%
10/22/2016	Pending	Time Warner Inc.	Provides film, TV entertainment services	AT&T Inc.	Provides telecommunications services	Stock Swap	Cash/Stock	\$109,363.6	\$107,055.6	\$500.0	0.5%	0.5%
10/23/2016	Completed	B/E Aerospace Inc.	Aircraft engine and engine part manufacturing	Rockwell Collins Inc.	Manufactures aviation electronics products	Not Applicable	Cash/Stock	\$8,200.8	\$8,211.3	\$300.0	3.7%	3.7%
10/24/2016	Completed	Middleburg Financial Corp.	Bank holding company	Access National Corp.	Bank holding company	Stock Swap	Stock	\$246.1	NA	\$9.9	4.0%	NA
10/27/2016	Pending	NXP Semiconductors NV	Semiconductor and related device manufacturing	Qualcomm Inc.	Manufactures and wholesales wireless communication equipment	Tender Offer	Cash/Stock	\$49,578.5	\$48,009.5	\$2,000.0	4.0%	4.2%
10/31/2016	Completed	Team Health Holdings Inc.	Other miscellaneous ambulatory health care services	Blackstone Group LP	Private equity, investment firm	Not Applicable	Cash	\$3,312.9	NA	\$201.7	6.1%	NA
10/31/2016	Pending	Level 3 Communications Inc.	Provides telecommunications services	CenturyLink Inc.	Provides telecommunications services	Stock Swap	Cash/Stock	\$36,045.7	\$34,476.7	\$471.5	1.3%	1.4%
10/31/2016	Completed	Baker Hughes Inc.	Manufactures oil, natural gas machinery	GE Oil & Gas	Oil and gas field machinery and equipment manufacturing	Stock Swap	Cash/Stock	\$32,394.5	\$31,680.5	\$1,300.0	4.0%	4.1%
11/03/2016	Pending	Lattice Semiconductor Corp.	Manufactures semiconductor components	Canyon Bridge Capital Part Inc.	Other financial vehicles	Going Private	Cash	\$1,037.4	\$1,273.9	\$58.8	5.7%	4.6%
11/07/2016	Completed	Blue Nile Inc.	Provides online retailing services	Blue Nile Inc. SPV	Other financial vehicles	Going Private	Cash	\$478.9	\$438.8	\$32.2	6.7%	7.3%
11/07/2016	Completed	EarthLink Holdings Corp.	Internet service providers	Windstream Holdings Inc.	Wired telecommunications carriers	Stock Swap	Stock	\$1,119.6	\$1,060.7	\$70.0	6.3%	6.6%
11/14/2016	Pending	SciClone Pharmaceuticals Inc.	Manufactures pharmaceutical preparations	SciClone Pharms Inc. SPV	Special purpose acquisition vehicle	Not Applicable	Cash	\$540.3	\$522.0	\$59.8	11.1%	11.5%
11/14/2016	Completed	Equity One Inc.	Real estate investment trust	Regency Centers Corp.	Real estate investment trust	Stock Swap	Stock	\$4,484.8	NA	\$240.0	5.4%	NA
11/15/2016	Completed	TFB Bancorp Inc.	Commercial banking	Glacier Bancorp Inc.	Bank holding company	Not Applicable	Cash/Stock	\$62.4	NA	\$0.4	0.6%	NA

# 2016 Reverse Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquiror Name	Target Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Acquiror's Termination Fee (mil)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
11/17/2016	Completed	Cascade Bancorp, Bend, OR	Bank holding company	First Interstate BancSystem Inc.	Bank holding company	Stock Swap	Cash/Stock	\$587.1	NA	\$22.1	3.8%	NA
11/21/2016	Completed	Headwaters Inc.	Manufactures building products	Boral Ltd.	Manufactures and wholesales building, construction materials	Not Applicable	Cash	\$1,798.5	\$2,487.7	\$75.0	4.2%	3.0%
11/25/2016	Completed	Constellation Healthcare Technologies	Other miscellaneous ambulatory health care services	CC Capital Management LLC	Investment management services	Going Private	Cash	\$322.7	NA	\$10.0	3.1%	NA
12/05/2016	Completed	FairPoint Communications Inc.	Provides communication services	Consolidated Communications Holdings, Synchronoss Technologies Inc.	Provides telecommunications services	Stock Swap	Stock	\$570.3	\$1,445.0	\$18.9	3.3%	1.3%
12/06/2016	Completed	IntraLinks Holdings Inc.	Develops content management software	Synchronoss Technologies Inc.	Develops transaction management software	Not Applicable	Cash	\$768.3	\$800.5	\$49.2	6.4%	6.2%
12/09/2016	Completed	Stillwater Mining Co.	Other metal ore mining	Sibanye Gold Ltd.	Gold mining company	Not Applicable	Cash	\$2,179.6	\$2,009.2	\$33.0	1.5%	1.6%
12/12/2016	Completed	Lionbridge Technologies Inc.	Develops translation software	H.I.G. Capital LLC	Private equity firm	Going Private	Cash	\$353.6	NA	\$21.4	6.0%	NA
12/12/2016	Completed	Seventy Seven Energy Inc.	Crude petroleum and natural gas extraction	Patterson-UTI Energy Inc.	Provides contract drilling services	Stock Swap	Cash/Stock	\$1,460.2	\$1,529.6	\$100.0	6.8%	6.5%
12/13/2016	Completed	Eastern Virginia Bankshares	Commercial bank holding company	Southern National Bancorp of Virginia	Bank holding company	Stock Swap	Stock	\$194.0	NA	\$7.5	3.9%	NA
12/14/2016	Pending	NeuStar Inc.	Provides real-time information services	Neustar Inc. SPV	Other financial vehicles	Going Private	Cash	\$2,942.1	\$2,885.9	\$120.0	4.1%	4.2%
12/18/2016	Completed	Allied World Assur Co. Hldgs.	Insurance company	Fairfax Financial Holdings Ltd.	Reinsurance carriers	Tender Offer	Cash/Stock	\$6,108.3	\$6,151.8	\$196.0	3.2%	3.2%
12/19/2016	Completed	FCB Bancorp	Bank (us) holding company	MainSource Financial Group Inc.	Bank holding company	Stock Swap	Cash/Stock	\$53.6	NA	\$0.5	0.9%	NA
12/20/2016	Withdrawn	Destination Maternity Corp.	Manufactures and retails maternity apparel	Orchestra Premaman SA	Children's and infants' clothing stores	Stock Swap	Stock	\$98.8	\$235.7	\$5.0	5.1%	2.1%
12/21/2016	Completed	InvenSense Inc.	Develops motion sensing software	TDK Corp.	Other electronic component manufacturing	Not Applicable	Cash	\$1,246.0	\$1,127.5	\$46.7	3.7%	4.1%

## About Houlihan Lokey

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