

2015 Transaction Termination Fee Study

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2015 Transaction Termination Fee Study Summary

Introduction

Houlihan Lokey's 2015 Transaction Termination Fee Study (the "2015 Study") employs search and screening criteria similar to those used in previous studies. We applied these criteria to the universe of announced transactions in 2011 through 2014, and 2015 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 applied the following screening criteria:

- Target company is a U.S. public company.
- Transaction announcement date is between January 1, 2015 and December 31, 2015.
- Transaction value is greater than \$50 million.
- Transaction type, as classified by Thomson Reuters, comprises
 - acquisitions of full or majority interest;
 - leveraged buyouts; and
 - tender offers (bankruptcy, divestiture, and spinoff transactions are excluded).
- Deal status is completed, pending, or withdrawn.
- Target termination fee is disclosed.

For the 2015 Study, 126 transactions met these criteria. We have analyzed these transactions in terms of both transaction and enterprise values.

Transaction Termination Fees

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 because, among other things:

- 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; or
- 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 126 transactions reviewed in 2015, the mean transaction value equaled approximately \$6.2 billion, a 80.5% increase from the 2014 mean transaction value of approximately \$3.4 billion. The mean enterprise value equaled approximately \$8.4 billion, a 72.5% increase from the 2014 mean enterprise value of approximately \$4.8 billion.⁽¹⁾

The median transaction value in 2015 equaled approximately \$1.3 billion, a 83.3% increase from the 2014 median transaction value of \$727.5 million. The median enterprise value equaled approximately \$2.1 billion, which was 43.1% higher than the 2014 median enterprise value of approximately \$1.5 billion.

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

	Transaction Value					Enterprise Value ⁽²⁾				
	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
Mean	\$2,238.0	\$1,267.8	\$2,015.0	\$3,435.4	\$6,200.2	\$2,865.5	\$1,695.2	\$2,872.6	\$4,843.2	\$8,357.0
Median	\$571.4	\$409.8	\$566.5	\$727.5	\$1,333.6	\$673.5	\$662.9	\$861.8	\$1,472.3	\$2,107.2
No. of Transactions	166	158	130	127	126	153	129	94	103	103

Source: Thomson Reuters.

⁽¹⁾ 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 pending 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 pending acquisition of Humana Inc., and Shire plc's \$31.0 billion pending acquisition of Baxalta Incorporated.

⁽²⁾ Excludes banks and other financial institutions due to lack of reliable data.

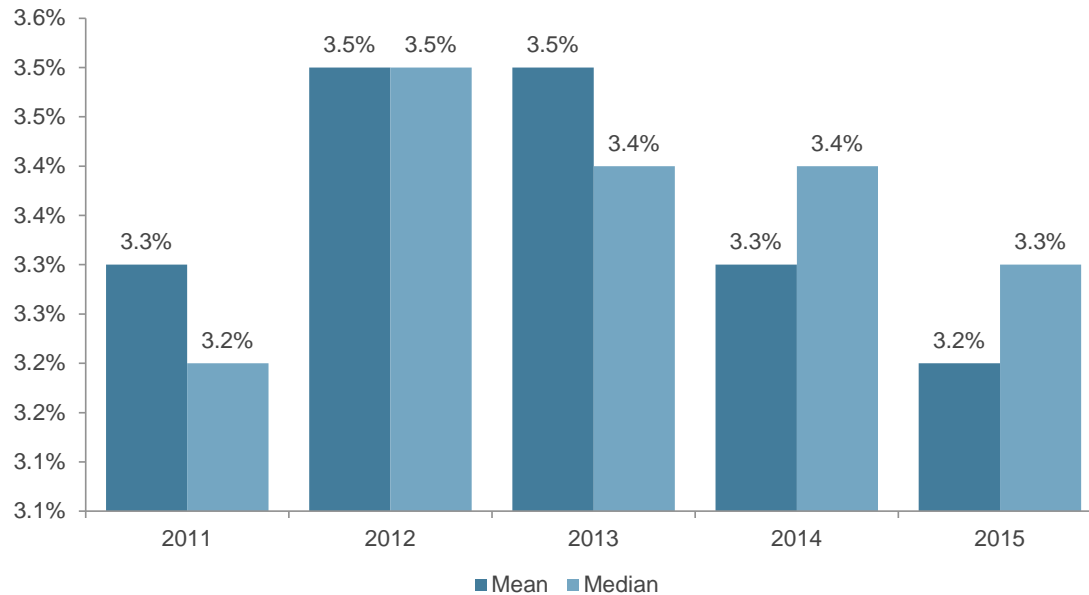
Transaction Termination Fees

Transaction Value

In the 2015 Study, termination fees as a percentage of transaction value ranged from 1.1% to 4.9%, with a mean of 3.2% and median of 3.3%.

- The 1.1% termination fee was observed in Monument Partners LLC's \$1.9 billion acquisition of Landmark Apartment Trust, Inc.
- The 4.9% termination fee was observed in Ciena Corporation's \$308 million acquisition of Cyan, Inc.

Transaction Termination Fees as a Percentage of Transaction Value

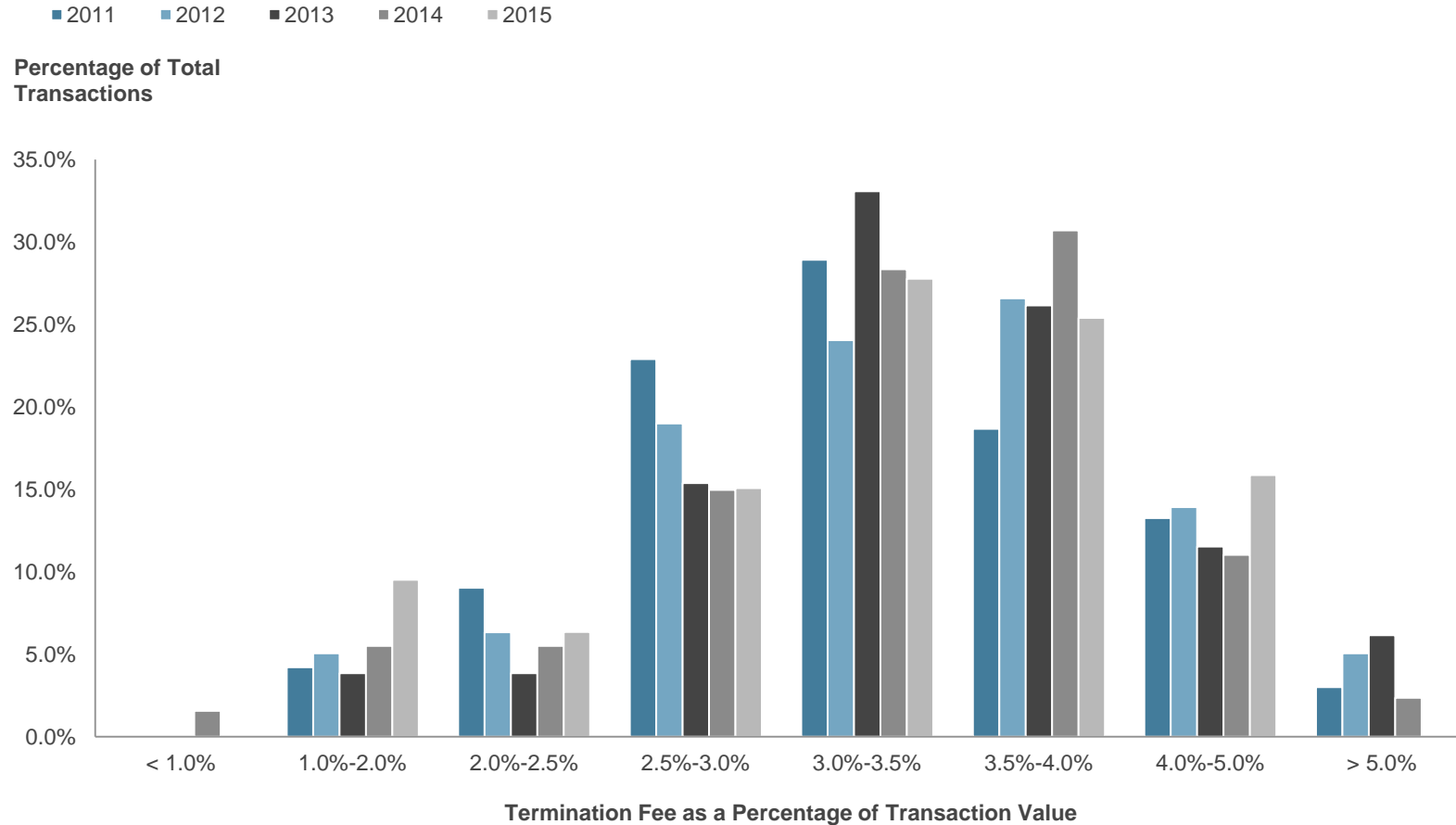


Transaction Termination Fees

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

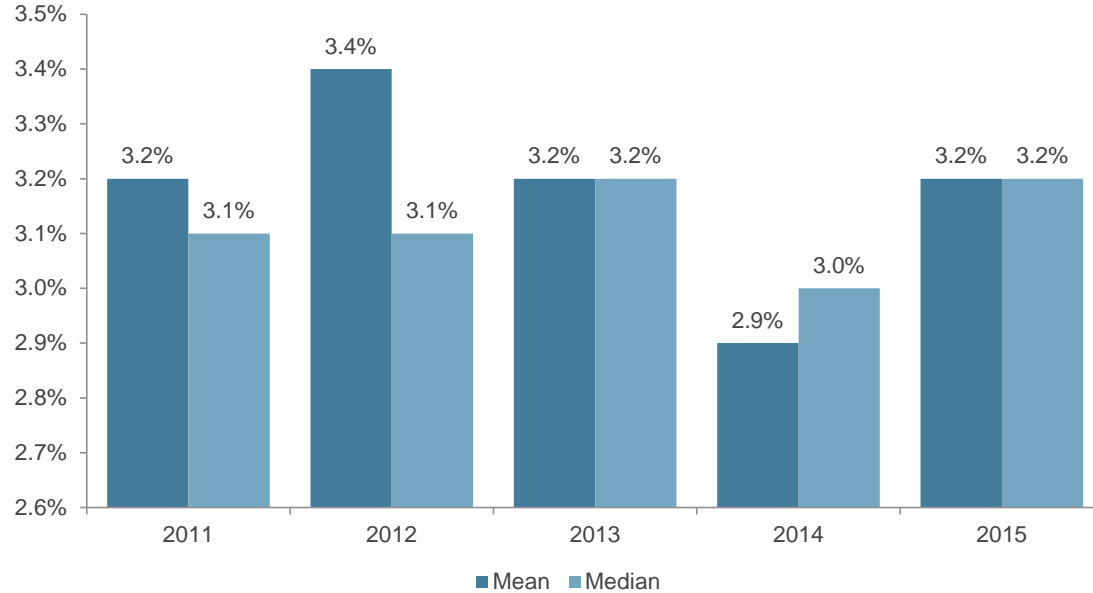


Transaction Termination Fees

Enterprise Value

Termination fees as a percentage of enterprise value were analyzed for deals announced from 2011 through 2015. Due to the inclusion of debt, the enterprise value (the denominator in the fee percentage calculation) is typically greater than transaction value. Accordingly, the observed median termination fees based on enterprise value are generally slightly lower than that observed using transaction values.

Transaction Termination Fees as a Percentage of Enterprise Value⁽¹⁾



Transaction Termination Fees

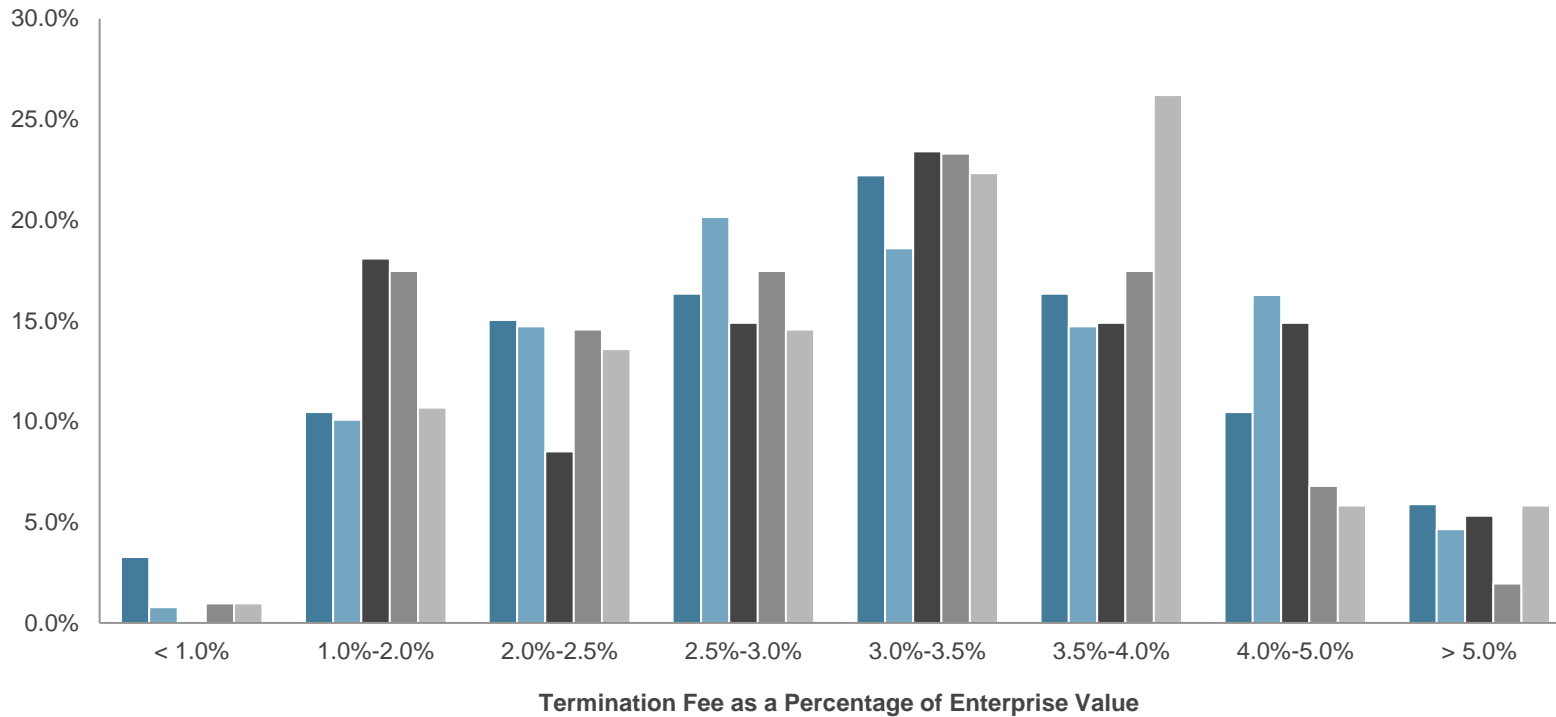
Enterprise Value (cont.)

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 3.2%.

Distribution of Termination Fee Percentages

■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015

Percentage of Total Transactions



Transaction Termination Fees

Semi-Annual Summary

The number of announced transactions decreased in the second half of 2015, but the median transaction size increased, with the median transaction value in the second half of 2015 (approximately \$2.3 billion) more than doubling that of the first half of 2015 (approximately \$813.4 million).

In dollar terms, the median termination fee increased from \$25.0 million in the first half of 2015 to \$60.0 million in the second half of 2015, which reflects an increase in the size of observed deals over the same time period. The median termination fee increased as a percentage of transaction value (3.3% to 3.4%) and decreased as a percentage of enterprise value (3.3% to 3.2%) in the second half of 2015.

2015 Termination Fee Summary (\$ in millions)

	First Half of 2015	Second Half of 2015
No. of Transactions	77	49
Median Transaction Value	\$813.4	\$2,270.3
Median Enterprise Value⁽¹⁾	\$1,371.0	\$2,655.7
Median Termination Fee	\$25.0	\$60.0
Median Fee as a Percentage of Transaction Value	3.3%	3.4%
Median Fee as a Percentage of Enterprise Value⁽¹⁾	3.3%	3.2%

Termination Fees by Transaction Size

Transaction Value

In the 2015 Study, 32 deals had transaction values greater than \$5 billion, compared with 22 in 2014. These large transactions accounted for 25.4% of the sample in 2015, compared to 17.3% in 2014. For transactions of this magnitude, the median termination fee as a percentage of transaction value was 3.0% in 2015, a decrease from the 3.1% observed in 2014.

In dollar terms, the highest termination fee among the transactions in 2015 was observed in Pfizer Inc.'s withdrawn \$145.8 billion merger with Allergan plc (termination fee of \$3.5 billion, or 2.4% of transaction value).⁽¹⁾

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 ⁽²⁾	
	2014	2015	2014	2015	2014	2015	2014	2015
\$50 million to \$250 million	33	27	\$136.0	\$118.9	\$5.0	\$3.8	3.8%	3.7%
\$250 million to \$500 million	23	16	\$351.8	\$319.2	\$12.4	\$12.8	3.6%	3.7%
\$500 million to \$1 billion	13	15	\$726.2	\$591.1	\$25.0	\$20.0	3.4%	3.5%
\$1 billion to \$5 billion	36	36	\$1,813.1	\$2,381.9	\$62.4	\$69.6	3.0%	3.3%
More than \$5 billion	22	32	\$8,491.3	\$13,634.3	\$263.2	\$384.5	3.1%	3.0%
All	127	126	\$727.5	\$1,333.6	\$22.9	\$36.8	3.4%	3.3%

Source: Thomson Reuters.

⁽¹⁾ Pfizer Inc. elected to terminate its planned \$145.8 billion merger with Allergan plc after the U.S. Treasury Department issued new rules to combat tax-inversions. Pfizer Inc. agreed to pay \$150 million of Allergan plc's transaction fees and expenses in connection with the terminated transaction.

⁽²⁾ Based on median of all calculated termination fees as a percentage of transaction value, not calculation of observed median of transaction value and termination fee.

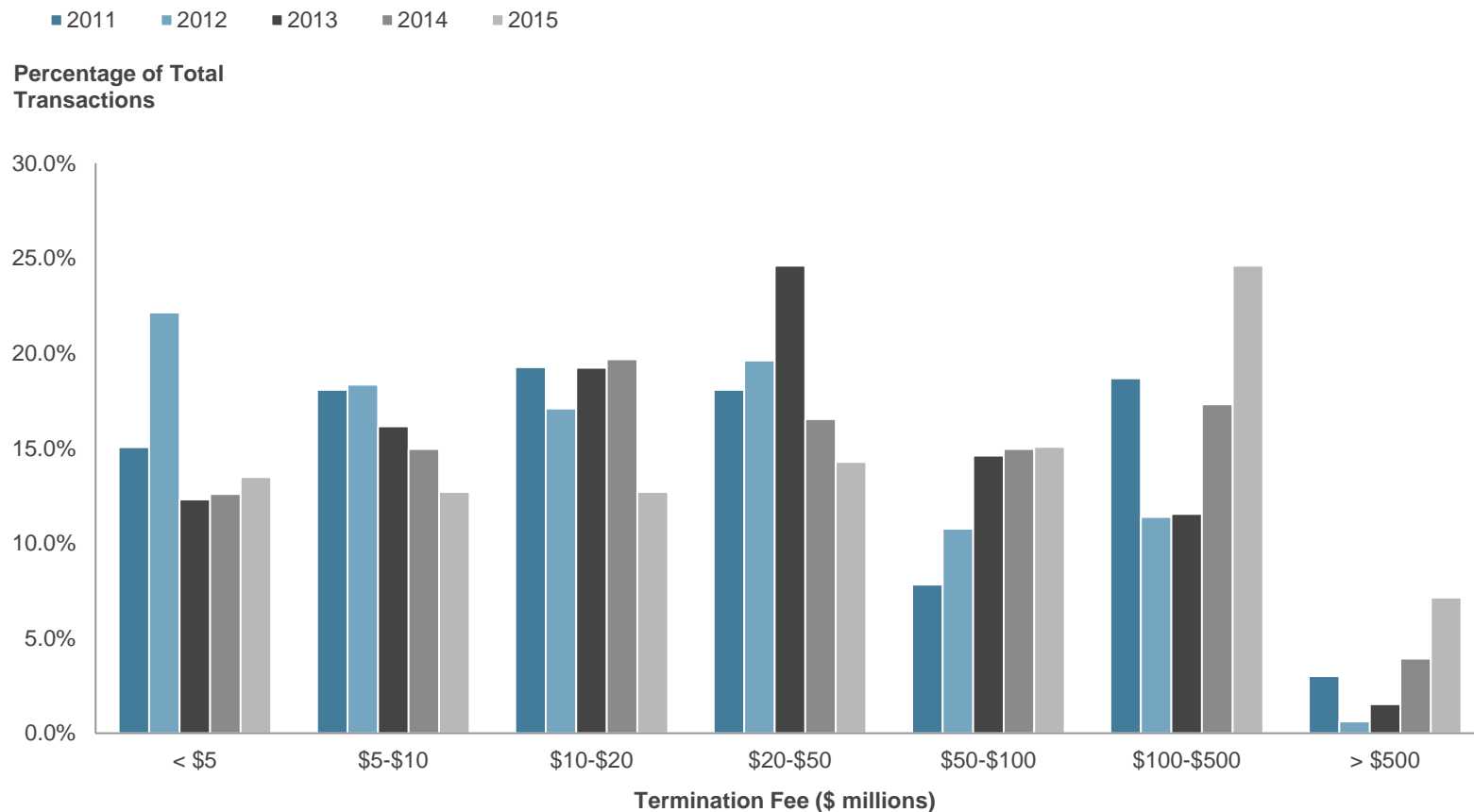
Termination Fees by Transaction Size

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 \$571.4 million in 2011 to approximately \$1.3 billion in 2015.

Approximately 26.2% of the deals sampled in the 2015 Study had termination fees of less than \$10 million, compared with 27.6% in 2014, 28.5% in 2013, 40.5% in 2012, and 33.1% in 2011.

Distribution of Termination Fees



Termination Fees by Transaction Size

Enterprise Value

In the 2015 Study, 30 deals had enterprise values greater than \$5 billion compared with 26 deals in 2014. These large transactions accounted for approximately 29.1% of the sample in 2015, compared to 25.2% in 2014. Within this segment of the sample, the median termination fee was 2.8% of enterprise value, consistent with the 2.8% observed in 2014.

Termination fees as a percentage of enterprise value are inversely correlated to deal size.

Termination Fees by Transaction Size – Enterprise Value (\$ in millions)⁽¹⁾

Transaction Size	No. of Transactions		Median Enterprise Value		Median Termination Fee		Median Termination Fee as a Percentage of Enterprise Value ⁽²⁾	
	2014	2015	2014	2015	2014	2015	2014	2015
\$50 million to \$250 million	12	15	\$120.4	\$133.4	\$4.5	\$5.0	3.8%	3.9%
\$250 million to \$500 million	19	11	\$323.3	\$308.7	\$11.8	\$10.0	3.3%	3.7%
\$500 million to \$1 billion	10	14	\$728.4	\$629.6	\$19.4	\$19.8	2.9%	3.6%
\$1 billion to \$5 billion	36	33	\$1,834.5	\$2,461.7	\$52.5	\$72.0	2.6%	3.4%
More than \$5 billion	26	30	\$8,296.3	\$13,972.7	\$252.5	\$400.0	2.8%	2.8%
All	103	103	\$1,472.3	\$2,107.2	\$32.5	\$58.6	3.0%	3.2%

Source: Thomson Reuters.

(1) Excludes banks and financial institutions due to lack of reliable data.

(2) Based on median of all calculated termination fees as a percentage of enterprise value, not calculation of observed median of enterprise value and termination fee.

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 2015, a slightly higher percentage of the transactions included some form of stock consideration compared to 2014 (52% of the 2015 sample compared to 48% of the 2014 sample).

Termination Fee by Consideration Form (\$ in millions)

Consideration Form	No. of Transactions		Median				Median Termination Fee as a Percentage of					
			Transaction Value		Enterprise Value ⁽¹⁾		Median Termination Fee		Transaction Value ⁽²⁾		Enterprise Value ⁽¹⁾⁽²⁾	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
All Stock	25	19	\$282.2	\$813.2	\$1,552.0	\$1,371.0	\$11.0	\$25.0	3.7%	3.3%	2.3%	3.3%
All Cash	66	61	\$763.7	\$1,900.0	\$946.7	\$2,224.9	\$21.6	\$39.5	3.3%	3.2%	3.1%	3.3%
Cash and Stock	36	46	\$1,533.3	\$1,713.8	\$5,433.2	\$2,739.4	\$46.3	\$52.9	3.5%	3.4%	2.7%	2.7%
All	127	126	\$727.5	\$1,333.6	\$1,472.3	\$2,107.2	\$22.9	\$36.8	3.4%	3.3%	3.0%	3.2%

Source: Thomson Reuters.

(1) Excludes banks and financial institutions due to lack of reliable data.

(2) Based on median of all calculated termination fees as a percentage of deal value, not calculation of observed median of deal value and termination fee.

Termination Fees by Acquisition Type

Transaction fees in 2015 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.
 - 22 transactions involved public targets going private, with median termination fees of 3.4% and 3.3% of transaction and enterprise values, respectively. The remaining 104, non-going-private transactions yielded median termination fees of 3.3% and 3.2% 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 102 transactions involving acquirers we considered strategic, the median termination fees equaled 3.4% and 3.2% of transaction and enterprise values, respectively. The remaining 24 transactions involved financial acquirers and had a median termination fee of 3.1% and 3.4% of transaction and enterprise values, respectively.

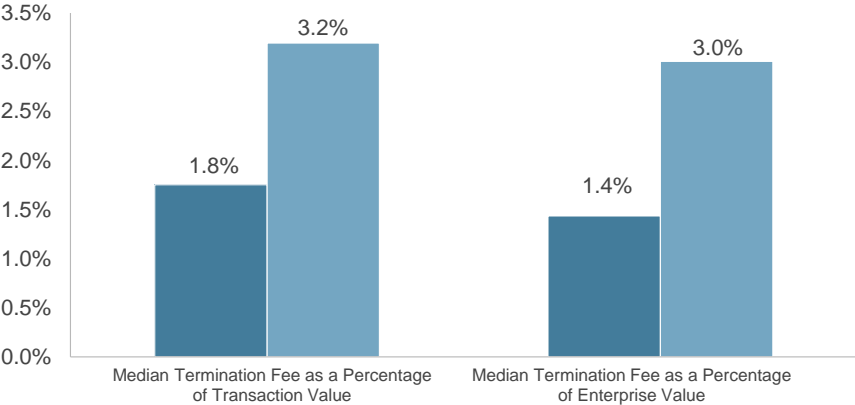
Bifurcated Termination Fees

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 2015 Study, 12 transactions (9.5% of sample) included bifurcated termination fees.

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

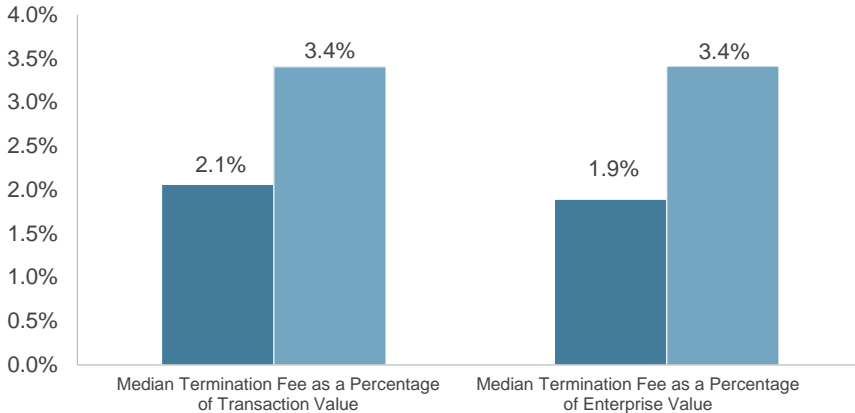
Bifurcated Termination Fees for Deals Announced in 2014

■ During Go-Shop Period ■ After Go-Shop Period



Bifurcated Termination Fees for Deals Announced in 2015

■ During Go-Shop Period ■ After Go-Shop Period



Transaction Termination Fees in Court

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 2015 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.)

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 ("HIG"). 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 HIG provided to Comverge as part of the transaction (the "Bridge Note"). The plaintiff alleged that the conversion feature in the Bridge Note, which allowed HIG 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 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.)

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

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 to 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. Similar to target termination fees, reverse breakup fees as a percentage of transaction and enterprise value are typically inversely correlated to deal size.

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.)

Beginning in 2008, a number of strategic cash deals began to duplicate the private equity reverse break 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 value and enterprise value) 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 126 transactions reviewed in the 2015 Study, 45 (approximately 36%) had reverse breakup fees, with median fees of 4.3% and 4.0% of transaction and enterprise values, respectively. In 2014, 62 (49%) of the 127 transactions reviewed had reciprocal termination fees, with median fees of 4.1% and 3.8% of transaction and enterprise values, respectively.

Reverse Breakup Fee Summary (\$ in millions)

	2014	2015
No. of Transactions	62	45
Median Transaction Value	\$1,439.2	\$1,981.5
Median Target Fee as a Percentage of Transaction Value	3.4%	3.2%
Median Acquirer Fee as a Percentage of Transaction Value	4.1%	4.3%
Median Enterprise Value	\$2,139.8	\$3,115.7
Median Target Fee as a Percentage of Enterprise Value	2.9%	3.0%
Median Acquirer Fee as a Percentage of Enterprise Value	3.8%	4.0%
Percentage with Identical Termination Fee	37.1%	35.6%
Percentage with Target Fee Higher than Acquirer Fee	14.5%	6.7%
Percentage with Acquirer Fee Higher than Target Fee	48.4%	57.8%

Reverse Breakup Fees (cont.)

In 2014 and 2015, reverse breakup fees as a percentage of transaction and enterprise values were significantly higher in transactions involving financial buyers.

Reverse Breakup Fee Summary (\$ in millions)

	2014 Transactions		2015 Transactions	
	Strategic Buyers	Financial Buyers	Strategic Buyers	Financial Buyers
No. of Transactions	42	20	33	12
Median Transaction Value	\$1,611.1	\$1,190.4	\$1,981.5	\$2,207.9
Median Target Fee as a Percentage of Transaction Value	3.4%	3.3%	3.2%	3.2%
Median Acquirer Fee as a Percentage of Transaction Value	3.6%	5.8%	4.0%	6.1%
Median Enterprise Value	\$2,290.6	\$1,197.8	\$4,327.8	\$2,523.6
Median Target Fee as a Percentage of Enterprise Value	2.7%	3.0%	2.7%	3.5%
Median Acquirer Fee as a Percentage of Enterprise Value	3.3%	5.3%	3.7%	6.5%

Analysis of Withdrawn Transactions

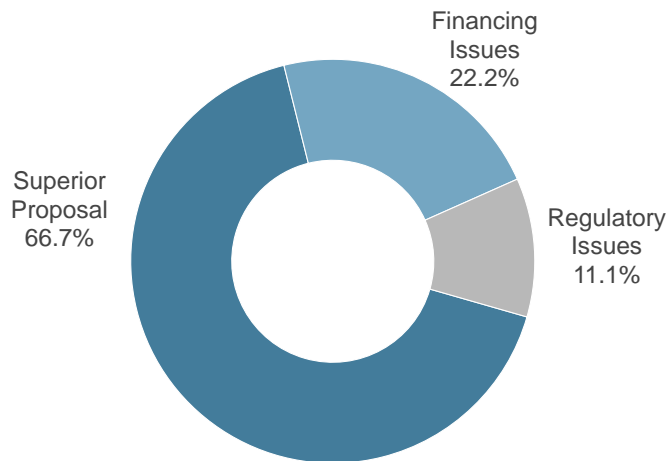
Of the 126 transactions reviewed in the 2015 Study, nine (7.1%) were terminated. In comparison, only three of the 127 transactions reviewed in 2014 were withdrawn, or approximately 2.4%.

Of the nine withdrawn transactions in 2015, six were withdrawn because the target received an unsolicited offer that constituted a superior proposal, two were withdrawn due to difficulties obtaining financing, and one was terminated due to regulatory issues.

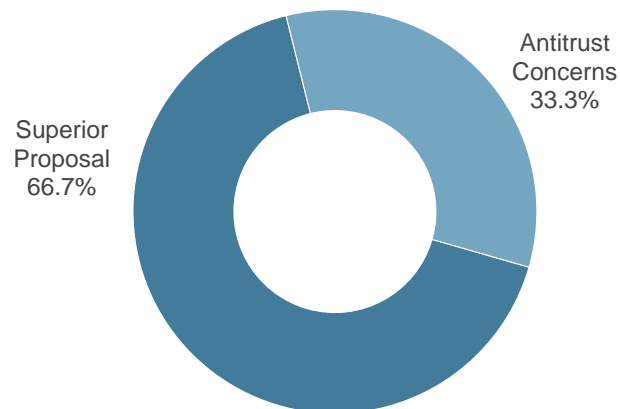
- Of note, Pfizer Inc. elected to terminate its planned \$145.8 billion merger with Allergan plc, which was the largest merger announced in 2015, after the U.S. Treasury Department issued new rules to combat tax-inversions. Pfizer Inc. agreed to pay \$150 million of Allergan plc's transaction fees and expenses, which was significantly less than the contractual amount of \$3.5 billion.

Of the identified nine terminated transactions, termination fees were paid, or under agreement to be paid, in eight of the transactions.

Reasons for Termination of Transactions in 2015



Reasons for Termination of Transactions in 2014



2015 Transaction Termination Fee Detail

2015 Transaction Termination Fee Detail

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer 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
01/05/2015	Completed	Uranerz Energy Corp.	Uranium mining company	Energy Fuels Inc.	Uranium and vanadium mining company	Stock Swap	Stock	\$151.9	\$151.9	\$5.0	3.3%	3.3%
01/11/2015	Completed	NPS Pharmaceuticals Inc.	Biopharmaceutical company	Shire PLC	Manufactures pharmaceuticals	Tender Offer	Cash	\$5,138.9	\$5,074.7	\$155.9	3.0%	3.1%
01/12/2015	Completed	Foundation Medicine Inc.	Medical diagnostics company	Roche Holding AG	Manufactures medical instruments	Not Applicable	Cash	\$780.2	\$1,346.7	\$30.0	3.8%	2.2%
01/12/2015	Completed	MWI Veterinary Supply Inc.	Wholesales animal health products	AmerisourceBergen Corp.	Wholesales drugs and pharmaceuticals	Tender Offer	Cash	\$2,455.6	\$2,522.5	\$76.0	3.1%	3.0%
01/16/2015	Withdrawn	Courier Corp.	Publishing company	Quad/Graphics Inc.	Provides printing services	Not Applicable	Cash / Stock	\$240.2	\$272.9	\$10.0	4.2%	3.7%
01/22/2015	Completed	City National Corp.	Bank holding company	Royal Bank of Canada	Provides banking and financial services	Stock Swap	Cash / Stock	\$5,394.0	NA	\$220.0	4.1%	NA
01/26/2015	Completed	Rock-Tenn Co.	Manufactures packaging products	MeadWestvaco Corp.	Manufactures packaging products	Stock Swap	Stock	\$8,143.3	\$11,086.6	\$230.0	2.8%	2.1%
01/26/2015	Completed	Regency Energy Partners LP	Provides gas gathering services	Energy Transfer Partners LP	Owns and operates natural gas pipelines	Stock Swap	Cash / Stock	\$18,447.9	\$18,222.8	\$450.0	2.4%	2.5%
01/27/2015	Completed	Silicon Image Inc.	Manufactures semiconductors	Lattice Semiconductor Corp.	Semiconductor components	Tender Offer	Cash	\$576.0	\$411.7	\$20.8	3.6%	5.1%
01/27/2015	Completed	National Bancshares Corp.	Bank holding company	Farmers National Banc Corp.	Bank holding company	Stock Swap	Cash / Stock	\$71.5	NA	\$2.5	3.5%	NA
02/03/2015	Completed	Entropic Communications Inc.	Manufactures semiconductors	MaxLinear Inc.	Manufactures semiconductors	Stock Swap	Cash / Stock	\$273.9	\$177.3	\$11.7	4.3%	6.6%
02/04/2015	Pending	Office Depot Inc.	Retails and wholesales office supplies	Staples Inc.	Retail office supplies	Not Applicable	Cash / Stock	\$6,306.1	\$6,825.9	\$185.0	2.9%	2.7%
02/05/2015	Completed	Ezopen Inc.	Software publishers	Insight Venture Partners LLC	Private equity firm	Going Private	Cash	\$252.1	\$233.0	\$9.0	3.6%	3.9%
02/05/2015	Completed	Hospira Inc.	Manufactures pharmaceuticals	Pfizer Inc.	Manufactures pharmaceuticals	Not Applicable	Cash	\$15,820.2	\$16,770.8	\$500.0	3.2%	3.0%
02/05/2015	Completed	Courier Corp.	Publishing company	RR Donnelley & Sons Co.	Provides commercial printing services	Stock Swap	Cash / Stock	\$267.7	\$300.4	\$7.5	2.8%	2.5%
02/10/2015	Completed	Saba Software Inc.	Develops management software	Vector Capital Corp.	Private equity firm	Going Private	Cash	\$268.1	\$253.9	\$8.1	3.0%	3.2%
02/12/2015	Completed	Orbitz Worldwide Inc.	Provides online travel information services	Expedia Inc.	Provides online travel booking services	Not Applicable	Cash / Stock	\$1,334.2	\$1,589.2	\$57.5	4.3%	3.6%
02/19/2015	Completed	Peoples Bancorp, Auburn, Indiana	Commercial bank	Horizon Bancorp, IN	Bank holding company	Stock Swap	Cash / Stock	\$73.1	NA	\$3.5	4.8%	NA
02/22/2015	Completed	Salix Pharmaceuticals Ltd.	Manufactures specialty pharmaceuticals	Valeant Pharmaceuticals Intl.	Manufactures pharmaceuticals	Tender Offer	Cash	\$14,467.6	\$15,622.7	\$456.4	3.2%	2.9%
02/23/2015	Completed	Globe Specialty Metals Inc.	Manufactures silicon metal and alloys	Grupo Ferroatlantica SA	Manufactures iron and steel	Going Private	Stock	\$1,333.0	\$1,348.0	\$25.0	1.9%	1.9%
02/25/2015	Withdrawn	SFX Entertainment Inc.	Provides music and entertainment services	SFXE Acquisition LLC	Miscellaneous Intermediation	Not Applicable	Cash	\$330.5	\$512.3	\$15.5	4.7%	3.0%
02/25/2015	Completed	Emulex Corp.	Manufactures network storage products	Emerald Merger Sub Inc.	Semiconductor device manufacturing	Tender Offer	Cash	\$575.3	\$540.0	\$19.5	3.4%	3.6%
02/25/2015	Completed	UIL Holdings Corp.	Electric utility holding company	Iberdrola USA Inc.	Electricity and gas distribution services	Stock Swap	Cash / Stock	\$2,982.8	\$4,666.3	\$75.0	2.5%	1.6%
03/02/2015	Completed	Anuba Networks Inc.	Manufactures wireless LAN equipment	Hewlett Packard Co.	Manufactures computer equipment	Not Applicable	Cash	\$2,972.9	\$2,461.7	\$90.0	3.0%	3.7%
03/02/2015	Completed	Mavenir Systems Inc.	Provides wireless telecom services	Mitel Networks Corp.	Communications software	Tender Offer	Cash / Stock	\$559.1	\$531.2	\$8.4	1.5%	1.6%
03/04/2015	Completed	Pharmacyclics Inc.	Manufactures pharmaceuticals	AbbVie Inc.	Manufactures pharmaceuticals	Tender Offer	Cash / Stock	\$20,774.0	\$19,917.0	\$680.0	3.3%	3.4%

2015 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer 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
03/09/2015	Completed	RTI International Metals Inc.	Manufactures metal products	Alcoa Inc.	Manufactures aluminum products	Stock Swap	Stock	\$1,267.7	\$1,393.9	\$50.0	3.9%	3.6%
03/09/2015	Completed	Bridge Capital Holdings	Bank holding company	Western Alliance Bancorp, NV	Bank holding company	Stock Swap	Cash / Stock	\$421.6	NA	\$15.9	3.8%	NA
03/11/2015	Withdrawn	Salix Pharmaceuticals Ltd.	Manufactures specialty pharmaceuticals	Endo International PLC	Pharmaceutical manufacturing	Stock Swap	Cash / Stock	\$14,635.1	\$15,787.5	\$356.0	2.4%	2.3%
03/12/2015	Completed	Integrated Silicon Solution	Manufactures integrated circuits	Integrated Silicon Solution	Other financial vehicles	Going Private	Cash	\$813.4	\$682.3	\$19.2	2.4%	2.8%
03/16/2015	Completed	Life Time Fitness Inc.	Owens physical fitness centers	Life Time Fitness Inc., SPV	Other financial vehicles	Going Private	Cash	\$2,815.1	\$4,062.8	\$97.0	3.4%	2.4%
03/18/2015	Completed	Vitesse Semiconductor Corp.	Manufactures semiconductors	Microsemi Corp.	Manufactures semiconductors	Not Applicable	Cash	\$365.4	\$348.6	\$13.6	3.7%	3.9%
03/25/2015	Completed	First Security Group Inc.	Bank holding company	Atlantic Capital Bancshares	Bank holding company	Going Private	Cash / Stock	\$157.0	NA	\$6.3	4.0%	NA
03/25/2015	Completed	Kraft Foods Group Inc.	Produces packaged food products	HJ Heinz Co.	Produces processed food	Stock Swap	Cash / Stock	\$46,105.5	\$54,716.5	\$1,200.0	2.6%	2.2%
03/30/2015	Completed	Norcraft Cos Inc.	Manufactures cabinetry	Fortune Brands Home & Sec Inc.	Manufactures home and security products	Tender Offer	Cash	\$441.4	\$528.9	\$20.0	4.5%	3.8%
03/30/2015	Completed	Catamaran Corp.	Pharmacy benefits management services	UnitedHealth Group Inc.	Provides HMO services	Not Applicable	Cash	\$12,827.9	\$13,242.2	\$450.0	3.5%	3.4%
03/30/2015	Completed	Hyperion Therapeutics Inc.	Pharmaceutical manufacturing	Horizon Pharma PLC.	Pharmaceutical manufacturing	Tender Offer	Cash	\$1,017.1	\$898.6	\$35.0	3.4%	3.9%
03/30/2015	Completed	Auspex Pharmaceuticals Inc.	Pharmaceutical manufacturing	Teva Pharmaceutical Industries	Manufactures pharmaceuticals	Tender Offer	Cash	\$3,394.0	\$3,263.7	\$104.0	3.1%	3.2%
03/30/2015	Completed	Cellular Dynamics Intl Inc.	Biotechnology company	FUJIFILM Holdings Corp.	Manufactures imaging products	Tender Offer	Cash	\$276.9	\$254.6	\$8.3	3.0%	3.3%
04/07/2015	Completed	Informatica Corp.	Provides data integration software	Informatica Corp SPV	Other financial vehicles	Going Private	Cash	\$5,173.3	\$4,674.0	\$160.0	3.1%	3.4%
04/20/2015	Completed	LRR Energy LP	Oil/gas exploration production company	Vanguard Natural Resources LLC	Oil and gas exploration production company	Stock Swap	Stock	\$503.2	\$459.1	\$7.3	1.4%	1.6%
04/22/2015	Completed	Associated Estates Realty Corp.	Real estate investment trust	Brookfield Asset Mgmt Inc.	Provides asset management services	Not Applicable	Cash / Stock	\$1,670.5	NA	\$60.0	3.6%	NA
04/22/2015	Completed	Palmetto Bancshares Inc.	Bank holding company	United Community Banks Inc.	Bank holding company	Not Applicable	Cash / Stock	\$246.7	NA	\$7.5	3.0%	NA
04/22/2015	Completed	Procera Networks Inc.	Provides network management services	Francisco Partners Management	Private equity firm	Going Private	Cash	\$239.1	\$131.4	\$7.2	3.0%	5.5%
04/27/2015	Completed	iGATE Corp.	Provides IT and outsourcing services	Cap Gemini SA	Provide information technology services	Not Applicable	Cash	\$3,933.4	\$4,433.9	\$161.3	4.1%	3.6%
04/29/2015	Completed	MCG Capital Corp.	Provides commercial finance services	Investor Group	Investor group	Going Private	Cash / Stock	\$165.0	NA	\$7.0	4.2%	NA
04/30/2015	Completed	Audience Inc.	Manufactures digital signal processors	Knowles Corp.	Audio and Video Equipment	Tender Offer	Cash / Stock	\$125.6	\$84.8	\$5.0	4.0%	5.9%
05/04/2015	Completed	Cyan Inc.	Develops prepackaged software	Ciena Corp.	Manufactures fiber optic cable systems	Stock Swap	Cash / Stock	\$308.0	\$241.5	\$15.0	4.9%	6.2%
05/04/2015	Completed	PMFG Inc.	Energy company	CECO Environmental Corp.	Manufactures and wholesales air filters	Stock Swap	Cash / Stock	\$161.3	\$141.1	\$3.2	2.0%	2.3%
05/05/2015	Completed	Borderfree Inc.	All other business support services	Pitney Bowes Inc.	Manufactures postage meters	Not Applicable	Cash	\$476.5	\$383.8	\$17.0	3.6%	4.4%
05/06/2015	Completed	Bank of the Carolinas Corp.	Bank holding company	Bank of the Ozarks Inc.	Bank holding company	Stock Swap	Stock	\$64.7	NA	\$2.3	3.5%	NA
05/06/2015	Completed	Quality Distribution Inc.	General freight trucking	Apax Partners LP	Private equity firm	Going Private	Cash	\$452.0	\$776.9	\$8.2	1.8%	1.1%

2015 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer 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
05/07/2015	Completed	Micrel Inc.	Manufactures integrated circuits	Microchip Technology Inc.	Manufactures semiconductors	Not Applicable	Cash / Stock	\$837.1	\$721.8	\$34.6	4.1%	4.8%
05/11/2015	Completed	Trade Street Residential Inc.	Real estate investment trust	Independence Realty Trust	Lessors of other real estate property	Not Applicable	Cash / Stock	\$269.5	NA	\$12.0	4.5%	NA
05/11/2015	Completed	Rosetta Resources Inc.	Oil and gas exploration production company	Noble Energy Inc.	Oil and gas exploration production company	Stock Swap	Stock	\$3,816.5	\$3,637.1	\$65.0	1.7%	1.8%
05/12/2015	Completed	AOL Inc.	Online content and advertising services	Verizon Communications Inc.	Telecommunication services	Tender Offer	Cash	\$4,073.8	\$4,056.1	\$150.2	3.7%	3.7%
05/13/2015	Completed	Pall Corp.	Filters and separations equipment	Danaher Corp.	Manufactures tools and control equipment	Not Applicable	Cash	\$13,700.1	\$13,779.8	\$423.2	3.1%	3.1%
05/18/2015	Completed	ANN Inc.	Women's clothing stores	Ascena Retail Group Inc.	Women's clothing stores	Not Applicable	Cash / Stock	\$2,197.1	\$2,020.8	\$48.3	2.2%	2.4%
05/21/2015	Completed	Eagle Rock Energy Partners LP	Oil and gas exploration production company	Vanguard Natural Resources LLC	Oil and gas exploration production company	Stock Swap	Stock	\$591.1	\$543.6	\$20.0	3.4%	3.7%
05/21/2015	Completed	Omnicare Inc.	Retails and wholesales pharmaceuticals	CVS Health Corp.	Owms and operates drug stores	Not Applicable	Cash	\$14,076.6	\$12,461.8	\$350.0	2.5%	2.8%
05/22/2015	Completed	Frisch's Restaurants Inc.	Owms and operates restaurants	NRD Partners I LP	Private equity fund	Going Private	Cash	\$174.5	\$172.1	\$5.0	2.9%	2.9%
05/26/2015	Pending	Time Warner Cable Inc.	Provides cable TV services	Charter Communications Inc.	Provides cable TV and Internet services	Not Applicable	Cash / Stock	\$55,637.6	\$78,376.7	\$2,000.0	3.6%	2.6%
05/26/2015	Withdrawn	Geeknet Inc.	Provides e-commerce retail services	Hot Topic Inc.	Other clothing stores	Going Private	Cash	\$118.3	\$81.2	\$3.7	3.1%	4.5%
05/27/2015	Completed	Rally Software Dvp Corp.	Develops lifecycle management software	CA Inc.	IT management software	Tender Offer	Cash	\$513.8	\$446.1	\$17.4	3.4%	3.9%
05/27/2015	Completed	Geeknet Inc.	Provides e-commerce retail services	GameStop Inc.	Owms and operates toy stores	Tender Offer	Cash	\$135.7	\$98.6	\$3.7	2.7%	3.7%
05/29/2015	Completed	Premier Valley Bank, Fresno, CA	Commercial bank (for U.S.)	Heartland Financial USA Inc.	Bank holding company	Stock Swap	Cash / Stock	\$97.3	NA	\$3.0	3.1%	NA
06/01/2015	Completed	OM Group Inc.	Manufactures industrial equipment	Apollo Global Management LLC	Private equity firm	Not Applicable	Cash	\$1,033.3	\$1,020.3	\$36.6	3.5%	3.6%
06/01/2015	Completed	Altera Corp.	Manufactures semiconductors	Intel Corp.	Manufactures semiconductors	Not Applicable	Cash	\$16,299.3	\$15,331.1	\$500.0	3.1%	3.3%
06/04/2015	Completed	Naugatuck Valley Finl Corp.	Bank holding company	Liberty Bank	Chartered mutual savings bank	Going Private	Cash	\$77.8	NA	\$3.1	4.0%	NA
06/04/2015	Completed	Bio-Reference Laboratories Inc.	Provides clinical lab testing services	OPKO Health Inc.	Manufactures pharmaceuticals	Stock Swap	Stock	\$1,471.3	\$1,517.7	\$54.0	3.7%	3.6%
06/10/2015	Completed	HCC Insurance Holdings Inc.	Insurance holding company	Tokio Marine & Nichido Fire	Insurance company	Not Applicable	Cash	\$7,540.9	\$8,336.7	\$187.5	2.5%	2.2%
06/15/2015	Completed	DealerTrack Technologies Inc.	Management software services	Cox Automotive Inc.	Motor vehicle merchant wholesalers	Going Private	Cash	\$3,572.8	\$4,379.4	\$118.0	3.3%	2.7%
06/17/2015	Completed	KYTHERA Biopharmaceuticals Inc.	Biopharmaceutical company	Allergan Inc.	Pharmaceutical manufacturing	Not Applicable	Cash / Stock	\$2,127.9	\$1,967.7	\$69.8	3.3%	3.5%
06/18/2015	Completed	Louisiana Bancorp Inc.	Bank holding company	Home Bancorp Inc.	Bank holding company	Not Applicable	Cash	\$74.5	NA	\$3.0	4.0%	NA
06/22/2015	Completed	Home Properties Inc.	Real estate investment trust	Lone Star Funds	Private equity firm	Going Private	Cash	\$4,421.5	NA	\$50.0	1.1%	NA
06/29/2015	Completed	Ameriana Bancorp	Bank holding company	First Merchants Corp.	Bank holding company	Stock Swap	Stock	\$69.6	NA	\$1.5	2.2%	NA
06/30/2015	Completed	Towers Watson & Co.	Provides management consulting services	Willis Group Holdings PLC	Provides insurance brokerage services	Stock Swap	Stock	\$8,353.1	\$7,710.5	\$255.0	3.1%	3.3%
07/01/2015	Completed	Gramercy Property Trust Inc.	Real estate investment trust	Chambers Street Properties	Real estate investment trust	Stock Swap	Stock	\$1,457.1	NA	\$43.5	3.0%	NA

2015 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer 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
07/03/2015	Pending	Humana Inc.	Provides healthcare services	Aetna Inc.	Provides HMO services	Not Applicable	Cash / Stock	\$34,580.3	\$36,762.3	\$1,314.0	3.8%	3.6%
07/13/2015	Completed	MarkWest Energy Partners LP	Natural gas exploration production company	MPLX LP	Owns operates crude oil pipelines	Stock Swap	Cash / Stock	\$22,296.4	\$22,845.3	\$625.0	2.8%	2.7%
07/14/2015	Completed	Receptos Inc.	Pharmaceutical manufacturing	Celgene Corp.	Biopharmaceutical products	Tender Offer	Cash	\$7,730.7	\$7,151.6	\$230.0	3.0%	3.2%
07/20/2015	Withdrawn	Vivint Solar Inc.	Electric power distribution	SunEdison Inc.	Semiconductor manufacturing	Not Applicable	Cash / Stock	\$1,757.2	\$1,757.2	\$34.0	1.9%	1.9%
07/22/2015	Completed	Thoratec Corp.	Manufactures medical devices	St. Jude Medical Inc.	Manufactures medical devices	Not Applicable	Cash	\$3,520.4	\$3,246.3	\$110.5	3.1%	3.4%
07/29/2015	Completed	Cytec Industries Inc.	Manufactures specialty chemicals	Solvay SA	Manufactures chemicals	Not Applicable	Cash	\$5,515.6	\$6,134.0	\$140.0	2.5%	2.3%
08/04/2015	Completed	Metro Bancorp Inc., Harrisburg	Bank holding company	FNB Corp.	Bank holding company	Stock Swap	Stock	\$463.5	NA	\$17.5	3.8%	NA
08/04/2015	Pending	Baxalta Inc.	Pharmaceutical manufacturing	Shire PLC	Manufactures pharmaceuticals	Stock Swap	Cash / Stock	\$30,951.9	\$35,218.7	\$369.0	1.2%	1.0%
08/05/2015	Completed	Tecumseh Products Co.	Manufactures hermetic compressors	MA Industrial JV LLC	Investment company	Going Private	Cash	\$92.8	\$120.0	\$3.8	4.1%	3.2%
08/10/2015	Completed	Yodlee Inc.	Software publishers	Envestnet Inc.	Provides wealth management services	Not Applicable	Cash / Stock	\$647.6	\$578.0	\$17.8	2.7%	3.1%
08/11/2015	Pending	Terex Corp.	Manufactures construction equipment	Konecranes Abp	Manufactures industrial cranes	Stock Swap	Stock	\$2,761.8	\$4,327.8	\$37.0	1.3%	0.9%
08/12/2015	Completed	Planar Systems Inc.	Manufactures display and digital signage	Leyard Optoelectronic Co. Ltd.	Manufactures LED products	Not Applicable	Cash	\$149.7	\$133.4	\$4.0	2.7%	3.0%
08/17/2015	Completed	Zulily Inc.	Sells retail women and kids apparel	Liberty Interactive Corp.	Provides cable TV services	Tender Offer	Cash / Stock	\$2,420.7	\$2,107.2	\$79.0	3.3%	3.7%
08/31/2015	Completed	Blyth Inc.	Manufactures home fragrance products	The Carlyle Group LP	Private equity firm	Going Private	Cash	\$96.8	\$83.0	\$3.9	4.0%	4.7%
09/03/2015	Completed	Pericom Semiconductor Corp.	Manufactures integrated circuits	Diodes Inc.	Manufactures semiconductors	Not Applicable	Cash	\$396.4	\$275.9	\$15.0	3.8%	5.4%
09/08/2015	Withdrawn	Meredith Corp.	Publishing company	Media General Inc.	Television broadcasting	Not Applicable	Cash / Stock	\$2,343.5	\$3,115.7	\$60.0	2.6%	1.9%
09/09/2015	Completed	Con-way Inc.	Provides freight transportation services	XPO Logistics Inc.	Provides logistics services	Tender Offer	Cash	\$3,015.7	\$3,015.8	\$102.9	3.4%	3.4%
09/29/2015	Completed	Rentrak Corp.	Develops web-based software	cornScore Inc.	Provides online research services	Stock Swap	Stock	\$813.2	\$734.3	\$28.5	3.5%	3.9%
10/01/2015	Completed	First Capital Bancorp	Bank holding company	Park Sterling Corp.	Bank holding company	Stock Swap	Cash / Stock	\$71.8	NA	\$3.3	4.5%	NA
10/01/2015	Completed	Security California Bancorp	Commercial bank	Pacific Premier Bancorp Inc.	Bank holding company	Stock Swap	Cash / Stock	\$118.9	NA	\$4.5	3.8%	NA
10/05/2015	Withdrawn	PMC-Sierra Inc.	Manufactures semiconductors	Skyworks Solutions Inc.	Manufactures signal semiconductors	Not Applicable	Cash	\$2,324.7	\$2,267.6	\$88.5	3.8%	3.9%
10/09/2015	Completed	UTi Worldwide Inc.	Provides transportation services	DSV A/S	Transportation and logistics services	Not Applicable	Cash	\$970.8	\$1,125.7	\$34.0	3.5%	3.0%
10/12/2015	Pending	EMC Corp.	Manufactures storage platforms	Dell Inc.	Manufactures computer equipment	Going Private	Cash / Stock	\$65,999.8	\$63,966.3	\$2,500.0	3.8%	3.9%
10/13/2015	Completed	Wausau Paper Corp.	Manufactures fine printing paper	Svenska Cellulosa AB SCA	Manufactures hygiene products	Not Applicable	Cash	\$514.5	\$681.2	\$18.2	3.5%	2.7%
10/19/2015	Completed	PMC-Sierra Inc.	Manufactures semiconductors	Microsemi Corp.	Manufactures semiconductors	Tender Offer	Cash / Stock	\$2,420.2	\$2,363.2	\$88.5	3.7%	3.7%
10/21/2015	Completed	SolarWinds Inc.	Network management software	SolarWinds Inc SPV	Special purpose acquisition vehicle	Going Private	Cash	\$4,474.5	\$4,370.9	\$159.0	3.6%	3.6%

2015 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer 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
10/21/2015	Pending	KLA-Tencor Corp.	Manufactures semiconductors	Lam Research Corp.	Manufactures wafer fabrication equipment	Stock Swap	Cash / Stock	\$10,763.3	\$11,643.7	\$290.0	2.7%	2.5%
10/22/2015	Completed	Landmark Apartment Trust Inc.	Lessors Of other real estate property	Monument Partners LLC	Other financial vehicles	Not Applicable	Cash	\$1,900.0	NA	\$20.0	1.1%	NA
10/26/2015	Withdrawn	The PEP Boys-Manny Moe & Jack	Provides retail auto parts and accessories	Bridgestone Ret Op LLC	General automotive repair	Going Private	Cash	\$929.8	\$1,053.0	\$39.5	4.2%	3.8%
10/26/2015	Pending	VBI Vaccines Inc.	Biological product manufacturing	SciVac Therapeutics Inc.	Biological product manufacturing	Stock Swap	Stock	\$83.9	\$74.3	\$3.3	4.0%	4.5%
10/26/2015	Completed	River Valley Bancorp.	Bank holding company	German American Bancorp, IN	Bank holding company	Stock Swap	Cash / Stock	\$87.2	NA	\$3.2	3.7%	NA
10/26/2015	Completed	TriVascular Technologies Inc.	Medical instrument manufacturing	Endologix Inc.	Manufactures catheters	Stock Swap	Cash / Stock	\$202.8	\$218.1	\$6.3	3.1%	2.9%
10/26/2015	Pending	Piedmont Natural Gas Co Inc.	Gas utility company	Duke Energy Corp.	Provides electric delivery services	Not Applicable	Cash	\$6,594.9	\$6,577.6	\$125.0	1.9%	1.9%
10/29/2015	Pending	Astoria Financial Corp.	Bank holding company	New York Community Bancorp Inc.	Bank holding company	Stock Swap	Cash / Stock	\$1,981.5	NA	\$69.5	3.5%	NA
11/02/2015	Pending	Furmanite Corp.	Provides industrial maintenance services	Team Inc.	Provides specialty industrial services	Stock Swap	Stock	\$285.9	\$308.7	\$10.0	3.5%	3.2%
11/02/2015	Completed	Constant Contact Inc.	Provides online marketing services	Endurance Intl Group Inc.	Provides online application services	Not Applicable	Cash	\$1,112.1	\$931.6	\$36.0	3.2%	3.9%
11/02/2015	Completed	MedAssets Inc.	Develops prepackaged software	Pamplona Capital Management	Private equity firm	Going Private	Cash	\$1,939.1	\$2,655.7	\$58.6	3.0%	2.2%
11/02/2015	Completed	Dyax Corp.	Biotechnology company	Shire PLC	Manufactures pharmaceutical	Not Applicable	Cash	\$6,557.0	\$6,225.6	\$180.0	2.7%	2.9%
11/08/2015	Completed	Plum Creek Timber Co. Inc.	Owms and operates timberlands	Weyerhaeuser Co.	Owms and operates timberlands	Stock Swap	Stock	\$8,462.4	\$11,621.4	\$250.0	3.0%	2.2%
11/09/2015	Completed	RealD Inc.	Manufactures motion picture systems	Rizvi Traverse Management LLC	Private equity firm	Going Private	Cash	\$560.1	\$521.2	\$24.0	4.3%	4.6%
11/16/2015	Pending	Starwood Hotels & Resorts	Owms and operates hotels	Marriott International Inc.	Owms and operates hotels and resorts	Stock Swap	Cash / Stock	\$13,568.5	\$14,815.5	\$400.0	2.9%	2.7%
11/17/2015	Pending	Airgas Inc.	Supplies industrial and medical equipment	Air Liquide SA	Manufactures industrial gases	Not Applicable	Cash	\$10,630.0	\$13,400.4	\$400.0	3.8%	3.0%
11/18/2015	Pending	Fairchild Semiconductor Intl.	Manufactures semiconductors	ON Semiconductor Corp.	Manufactures semiconductors	Tender Offer	Cash	\$2,270.3	\$2,224.9	\$72.0	3.2%	3.2%
11/23/2015	Withdrawn	Allergan PLC	Pharmaceutical manufacturing	Pfizer Inc.	Manufactures pharmaceuticals	Stock Swap	Cash / Stock	\$145,785.3	\$191,522.1	\$3,500.0	2.4%	1.8%
12/03/2015	Pending	Pulaski Financial Corp., MO	Savings, loan holding company	First Busey Corp., Urbana, IL	Bank holding company	Stock Swap	Stock	\$217.7	NA	\$9.0	4.1%	NA
12/07/2015	Completed	Keurig Green Mountain Inc.	Coffee and tea manufacturing	Investor Group	Investor group	Not Applicable	Cash	\$13,877.5	\$14,165.6	\$475.0	3.4%	3.4%
12/15/2015	Pending	Heartland Payment Systems Inc.	Provides payment processing services	Global Payments Inc.	Provides electronic processing services	Not Applicable	Cash / Stock	\$3,709.0	\$4,033.4	\$153.0	4.1%	3.8%
12/29/2015	Pending	Fairchild Semiconductor Intl.	Manufactures semiconductors	Fairchild Semiconductor SPV	Special purpose acquisition vehicle	Not Applicable	Cash	\$2,476.6	\$2,391.4	\$72.0	2.9%	3.0%

2015 Reverse Transaction Termination Fee Detail

2015 Reverse Transaction Termination Fee Detail

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer Description	Acquisition Technique	Consideration	Transaction Value (\$ M)	Enterprise Value (\$ M)	Acquirer's Termination Fee (\$ M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
01/05/2015	Completed	Uranerz Energy Corp.	Uranium mining company	Energy Fuels Inc.	Uranium and vanadium mining company	Stock Swap	Stock	\$151.9	\$151.9	\$5.0	3.3%	3.3%
01/26/2015	Completed	Rock-Tenn Co.	Manufactures packaging products	MeadWestvaco Corp.	Manufactures packaging products	Stock Swap	Stock	\$8,143.3	\$11,086.6	\$230.0	2.8%	2.1%
02/03/2015	Completed	Entropic Communications Inc.	Manufactures semiconductors	MaxLinear Inc.	Manufactures semiconductors	Stock Swap	Cash / Stock	\$273.9	\$177.3	\$11.7	4.3%	6.6%
02/04/2015	Pending	Office Depot Inc.	Retails and wholesales office supplies	Staples Inc.	Retail office supplies	Not Applicable	Cash / Stock	\$6,306.1	\$6,825.9	\$250.0	4.0%	3.7%
02/05/2015	Completed	Courier Corp.	Publishing company	RR Donnelley & Sons Co.	Provides commercial printing services	Stock Swap	Cash / Stock	\$267.7	\$300.4	\$12.0	4.5%	4.0%
02/25/2015	Withdrawn	SFX Entertainment Inc.	Provides music and entertainment services	SFXE Acquisition LLC	Miscellaneous intermediation	Not Applicable	Cash	\$330.5	\$512.3	\$7.8	2.4%	1.5%
03/02/2015	Completed	Mavenir Systems Inc.	Provides wireless telecom services	Mitel Networks Corp.	Communications software	Tender Offer	Cash / Stock	\$559.1	\$531.2	\$35.8	6.4%	6.7%
03/09/2015	Completed	Bridge Capital Holdings	Bank holding company	Western Alliance Bancorp, NV	Bank holding company	Stock Swap	Cash / Stock	\$421.6	NA	\$15.9	3.8%	NA
03/25/2015	Completed	First Security Group Inc.	Bank holding company	Atlantic Capital Bancshares	Bank holding company	Going Private	Cash / Stock	\$157.0	NA	\$6.3	4.0%	NA
03/30/2015	Completed	Hyperion Therapeutics Inc.	Pharmaceutical manufacturing	Horizon Pharma PLC.	Pharmaceutical manufacturing	Tender Offer	Cash	\$1,017.1	\$898.6	\$75.0	7.4%	8.3%
04/07/2015	Completed	Informatica Corp.	Provides data integration software	Informatica Corp SPV	Other financial vehicles	Going Private	Cash	\$5,173.3	\$4,674.0	\$320.0	6.2%	6.8%
04/29/2015	Completed	MCG Capital Corp.	Provides commercial finance services	Investor Group	Investor group	Going Private	Cash / Stock	\$165.0	NA	\$7.0	4.2%	NA
05/04/2015	Completed	PMFG Inc.	Energy company	CECO Environmental Corp.	Manufactures and wholesales air filters	Stock Swap	Cash / Stock	\$161.3	\$141.1	\$9.6	6.0%	6.8%
05/11/2015	Completed	Trade Street Residential Inc.	Real estate investment trust	Independence Realty Trust	Lessors of other real estate property	Not Applicable	Cash / Stock	\$269.5	NA	\$25.0	9.3%	NA
05/26/2015	Pending	Time Warner Cable Inc.	Provides cable TV services	Charter Communications Inc.	Provides cable TV and Internet services	Not Applicable	Cash / Stock	\$55,637.6	\$78,376.7	\$1,000.0	1.8%	1.3%
06/01/2015	Completed	OM Group Inc.	Manufactures industrial equipment	Apollo Global Management LLC	Private equity firm	Not Applicable	Cash	\$1,033.3	\$1,020.3	\$62.7	6.1%	6.1%
06/15/2015	Completed	DealerTrack Technologies Inc.	Management software services	Cox Automotive Inc.	Motor vehicle merchant wholesalers	Going Private	Cash	\$3,572.8	\$4,379.4	\$118.0	3.3%	2.7%
06/22/2015	Completed	Home Properties Inc.	Real estate investment trust	Lone Star Funds	Private equity firm	Going Private	Cash	\$4,421.5	NA	\$300.0	6.8%	NA
06/30/2015	Completed	Towers Watson & Co.	Provides management consulting services	Willis Group Holdings PLC	Provides insurance brokerage services	Stock Swap	Stock	\$8,353.1	\$7,710.5	\$255.0	3.1%	3.3%
07/01/2015	Completed	Gramercy Property Trust Inc.	Real estate investment trust	Chambers Street Properties	Real estate investment trust	Stock Swap	Stock	\$1,457.1	NA	\$61.2	4.2%	NA
07/03/2015	Pending	Humana Inc.	Provides healthcare services	Aetna Inc.	Provides HMO services	Not Applicable	Cash / Stock	\$34,580.3	\$36,762.3	\$2,691.0	7.8%	7.3%
07/14/2015	Completed	Receptos Inc.	Pharmaceutical manufacturing	Celgene Corp.	Biopharmaceutical products	Tender Offer	Cash	\$7,730.7	\$7,151.6	\$400.0	5.2%	5.6%
08/05/2015	Completed	Tecumseh Products Co.	Manufactures hermetic compressors	MA Industrial JV LLC	Investment company	Going Private	Cash	\$92.8	\$120.0	\$4.8	5.2%	4.0%
08/11/2015	Pending	Terex Corp.	Manufactures construction equipment	Konecranes Abp	Manufactures industrial cranes	Stock Swap	Stock	\$2,761.8	\$4,327.8	\$37.0	1.3%	0.9%
09/08/2015	Withdrawn	Meredith Corp.	Publishing company	Media General Inc.	Television broadcasting	Not Applicable	Cash / Stock	\$2,343.5	\$3,115.7	\$60.0	2.6%	1.9%
09/29/2015	Completed	Rentrak Corp.	Develops web-based software	comScore Inc.	Provides online research services	Stock Swap	Stock	\$813.2	\$734.3	\$57.0	7.0%	7.8%

2015 Reverse Transaction Termination Fee Detail (cont.)

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10/12/2015	Pending	EMC Corp.	Manufactures storage platforms	Dell Inc.	Manufactures computer equipment	Going Private	Cash / Stock	\$65,999.8	\$63,966.3	\$6,000.0	9.1%	9.4%
10/13/2015	Completed	Wausau Paper Corp.	Manufactures fine printing paper	Svenska Cellulosa AB SCA	Manufactures hygiene products	Not Applicable	Cash	\$514.5	\$681.2	\$26.0	5.1%	3.8%
10/21/2015	Completed	SolarWinds Inc.	Network management software	SolarWinds Inc SPV	Special purpose acquisition vehicle	Going Private	Cash	\$4,474.5	\$4,370.9	\$317.9	7.1%	7.3%
10/21/2015	Pending	KLA-Tencor Corp.	Manufactures semiconductors	Lam Research Corp.	Manufactures wafer fabrication equipment	Stock Swap	Cash / Stock	\$10,763.3	\$11,643.7	\$290.0	2.7%	2.5%
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