Management's Discussion & Analysis
(Expressed in Canadian Dollars)

people CORPORATION

Experience the Benefits of People

As at and for the three and six months ended February 29, 2016

PEOPLE CORPORATION

Management's Discussion & Analysis
As at and for the three and six months ended February 29, 2016

This Management's Discussion and Analysis ("**MD&A**") has been prepared with an effective date of April 14, 2016 and provides an update on matters discussed in, and should be read in conjunction with the audited annual consolidated financial statements of the Company, including the notes thereto, as at and for the year ended August 31, 2015, which were prepared in accordance with International Financial Reporting Standards ("**IFRS**") and the unaudited interim condensed consolidated financial statements as at and for the three and six months ended February 29, 2016 (the "February 29, 2016 Interim Consolidated Financial Statements"), unless otherwise specified. Annual references are to the Company's fiscal year which ends August 31. The financial data discussed in this MD&A, including financial data relating to comparative periods in the prior year, has been prepared in accordance with IFRS. All amounts contained within this MD&A are in Canadian dollars unless otherwise specified. Amounts set forth in this MD&A are stated in thousands of dollars except for per share, issued and outstanding share data, and unless otherwise noted. Certain totals, subtotals and percentages may not reconcile due to rounding.

ADDITIONAL INFORMATION

Additional information regarding the Company is available on SEDAR at www.sedar.com and on the Company's website at www.peoplecorporation.com.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking statements" within the meaning of applicable securities laws, such as statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Use of words such as "may", "will", "expect", "believe", "intends", "likely", or other words of similar effect may indicate a "forward-looking" statement. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those described in the Company's publicly filed documents (available on SEDAR at www.sedar.com) and in this MD&A under the heading "Risks and Uncertainties". Those risks and uncertainties include the ability to maintain profitability and manage organic or acquisition growth, reliance on information systems and technology, reputation risk, dependence on key clients, reliance on key professionals and general economic conditions. Many of these risks and uncertainties can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statement made by the Company or on its behalf. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. All forward-looking statements in this MD&A are qualified by these cautionary statements. These statements are made as of the date of this MD&A and, except as required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Company, its financial or operating results or its securities.

Readers are cautioned that net income before finance expense, income tax expense, depreciation and amortization ("**Standardized EBITDA**") or EBITDA before acquisition, integration and reorganization costs, share-based compensation expense and Retained Economic Interest by vendor ("**Adjusted EBITDA**"), operating income before corporate costs ("**Operating Income before Corporate Costs**"), corporate costs, Operating Working Capital, hereinafter defined, and other similar terms do not have standardized meanings as prescribed by IFRS and may not be comparable to similar measures presented by other companies. Further, readers are cautioned that Standardized EBITDA, Adjusted EBITDA and Operating Income before Corporate Costs should not replace net income or loss or cash flows from operating, investing and financing activities (as determined in accordance with IFRS), as an indicator of the Company's performance. See the "Non-IFRS Financial Measures" section for further commentary.

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People Corporation (the "**Company**") is an employee benefit, pension and human resource consulting firm in Canada. With a growing national footprint, the Company is bringing together leading consultants in the industry to offer innovative and customized product solutions to clients. The Company is listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "PEO".

FINANCIAL HIGHLIGHTS

	for the three months ended		for the six months ended	
	Feb 29, 2016	**Feb 28, 2015**	**Feb 29, 2016**	**Feb 28, 2015**
Revenue	$ 18,336.6	$ 11,974.9	$ 34,651.5	$ 23,038.4
Adjusted EBITDA	$ 3,633.2	$ 2,461.0	$ 6,837.6	$ 4,660.4
Adjusted EBITDA per share (Basic)	$ 0.081	$ 0.062	$ 0.152	$ 0.117
Net Income	$ 19.8	$ 387.0	$ (129.3)	$ 695.1
Net income per share (Basic)	$ 0.000	$ 0.010	$ (0.003)	$ 0.017
Net income per share (Diluted)	$ 0.000	$ 0.009	$ (0.003)	$ 0.017

For the three months ended February 29, 2016, the Company experienced revenue growth of $6,361.8 or 53.1%. The Company recognized acquired growth of $4,929.0 (41.2%) and organic growth of $1,432.8 (11.9%). Organic growth is primarily comprised of the increase in revenue resulting from the addition of new clients from the Company's existing and expanded benefits consulting team and natural inflationary factors.

Adjusted EBITDA for the second quarter of fiscal 2016 was $3,633.2, representing an increase of $1,172.2 or 47.6%, as compared to the same period in fiscal 2015. Growth in Adjusted EBITDA for the three month period was primarily driven by contribution from acquisitions and the increase in second quarter revenue, partially offset by increases in variable compensation expenses tied directly to the higher revenue and expansion of the consulting team through hiring additional benefit consultants. The Company may experience fluctuations in timing of revenue between quarters and, as a result, Adjusted EBITDA as a percentage of revenue is less meaningful on a quarterly basis.

For the three months ended February 29, 2016, the Company reported a decrease in Net Income of $367.2 resulting from acquisition-related amortization of intangible assets, an increase in finance expenses and acquisition, integration and reorganization costs primarily related to the Coughlin acquisition, partially offset by the increase in Adjusted EBITDA.

For the six months ended February 29, 2016, the Company experienced revenue growth of $11,613.1 or 50.4%. The Company recognized acquired growth of $9,629.0 (41.8%) and organic growth of $1,984.1 (8.6%). Organic growth is primarily comprised of the increase in revenue resulting from the addition of new clients from the Company's existing and expanded benefits consulting team and natural inflationary factors.

Adjusted EBITDA for the six months ended February 29, 2016 was $6,837.6, representing an increase of $2,177.2 or 46.7%, as compared to the same period in fiscal 2015. Growth in Adjusted EBITDA for the six month period was primarily driven by contribution from acquisitions and the increase in revenue, partially offset by increases in variable compensation expenses tied directly to the higher revenue and expansion of the consulting team through hiring additional benefit consultants.

For the six months ended February 29, 2016, the Company reported a decrease in Net Income of $824.4 primarily resulting from acquisition-related amortization of intangible assets, an increase in finance expenses and acquisition, integration and reorganization costs primarily related to the Coughlin acquisition, partially offset by the increase in Adjusted EBITDA.

BUSINESS OVERVIEW

The Company delivers employee group benefit consulting, third party benefits administration, group retirement consulting, pension advisory services, claims processing, disability management and administration services and strategic human resource consulting and recruitment services to help companies attract, retain and reward employees. The Company achieves this through approximately 400 employees and contractors with thirty offices (includes 17 satellite offices) located in seven provinces. The Company earns revenues from a diverse base of clients in various industries. Approximately 94% (2015 - 93%) of the Company's revenues come from employee group benefit consulting, third party benefits administration and group retirement consulting while the remainder comes from strategic human resource consulting, recruitment services and other revenues. The Company maintains a corporate strategic plan, a financial plan and an ongoing annual planning process that enables the Company to continue to grow and execute on its vision. The Company's priority is the continued profitable expansion of existing operations through a focus on organic growth and the acquisition of synergistic companies with a view to maximize value for its stakeholders: i) shareholders, ii) clients, iii) acquisition partners, and iv) employees. The Company has financial and management resources in place to execute these priorities.

The Company is organized in order to emphasize integration of all of its practice areas, which are as follows:

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CONSULTING SOLUTIONS		BENEFIT SOLUTIONS	SHARED SERVICES	HUMAN RESOURCE SOLUTIONS
Gallivan & Associates Student Networks	Investment Guild	HealthSource Plus	Integrated Solutions	People First HR Services
JSL Inc.	White Willow	W.B. & Associés	Group Retirement Solutions	KWA Partners
Buffett Taylor	Prosure Group	BHL	Business Development	
Bencom fsgi	Fairles Benefit Services	Coughlin	Wellness Solutions	
Hamilton + Partners		BPA		

The Company has offices across Canada; each led by a team of experts and backed by the resources of a public company. The Company's diverse team of experienced consultants have industry-specific expertise and can provide businesses with insight to customize an innovative suite of services specific for their business requirements. The Company is committed to helping businesses attract, reward and retain their people thereby assisting in the achievement of the client's goals.

While the Company continues to go-to-market with the various brands acquired through acquisition, the Company is organized in such a way so as to leverage the capabilities of the entire organization. People Corporation can help businesses attract the right talent for the job and provide the right incentives to motivate employees to excel, enabling client businesses to prosper.

People Corporation helps businesses:

Attract — The Company's employee benefit, group retirement and HR divisions are led by experts who understand a client's business and can help a client attract the best people for their industry, helping position them as top employers.

Reward — Proprietary solutions offered by the Company's employee group benefit consulting, third party benefits administration, group retirement consulting, pension advisory services, claims processing, disability management and administration services ensures that a client's staff has access to health, wellness, dental, and retirement plans that make financial sense for their families, as well as for the client's business.

Retain	The Company can help make a client's organization a place where the best people will want to build their careers while also ensuring cost containment for the client's benefit, HR and group retirement plans.

Whether a client needs a simple benefits package or a comprehensive solution, the Company's experts can customize a program for its client's unique needs.

Expertise	The Company's consultants are recognized industry leaders who can create value for a client's organization. Through the experience of working with hundreds of clients, the Company's consultants have developed broad, as well as specialized, product, insurance and industry expertise.
Custom Solutions	The Company's broad range of innovative and proprietary group benefit solutions, group pension and disability solutions can be tailored to suit organizations of any size, in any sector. This is achieved through the Company's partner relationships, its ability to leverage its various systems and platforms and through the expertise of its consultants and staff.
Industry Leading Pricing	As a national provider, the Company's buying power allows it to offer clients the best products on the best terms.
Independent Guidance	The Company's expert advice is unbiased and independent. The Company works with all major insurers to provide clients with the best customized solution for its clients' businesses and people.
National Servicing	With offices across the country, the Company can provide clients with servicing on a localized basis.

Below is a summary of the Company's various operating areas:

Consulting Solutions

Within the Consulting Solutions division, the Company focuses on providing a unique and proprietary employee benefit, group retirement and human resource solution that is customized to individual client needs. The consulting advice primarily includes plan review and plan design, plan recommendations and alternative funding methods, plan set up, employee communications, wellness programs and plan marketing.

The Company's consultants are divided into teams that focus independently of each other on corporate benefits, public sector benefits, association benefits, student benefits and alternative funding methods including self-insurance. While each team goes to market independently, the Company has an advisor group that brings the skills of the different teams together and therefore, the Company is able to proactively approach client assignments in a manner that brings the expertise from various consultants together where necessary.

The Company assumes no underwriting risk as the insurance policies are underwritten by the insurance carrier.

Group Benefit Solutions

The Company's Group Benefit Solutions division has several third-party administration ("**TPA**") service platforms allowing it to provide consulting advice that is highly customized towards the client's needs. The TPA administers benefit plans on behalf of clients and insurance carrier partners. These administration platforms allow the Company to develop specialized, unique and customized benefit solutions for its clients through a plug-n-play approach of using multiple insurance carrier partners on a single benefits plan design. TPA services include employee data management, billing services, consolidated billing services where a client has multiple insurance carriers associated with its plan, customized reporting, customized plan design services, underwriting services, communication services and booklet printing services. In addition, through its various partners, the TPA platforms also provide claims adjudication services and claims management.

The Company serves as an independent data administrator on behalf of the Company's client, who is generally a employer and/or plan sponsor – this allows the benefit consultant to work with the client to select from various insurance carriers and funding options that are best suited to the benefit categories within the employee benefits program. The benefit to the client is the availability of multiple carriers and funding alternatives on one consolidated billing and reporting platform.

Human Resource Solutions

The Company's Human Resource Solutions division works with clients to diagnose, design and deliver customized human resource solutions. The human resources consulting team delivers a broad range of services, including: human resource consulting, compensation services, assessment services, and talent management.

Shared Services

Through its Shared Service division, the Company works with its subsidiaries and divisions by providing subject matter experts and proprietary products, services and solutions to attract and retain clients and provide additional revenue opportunities. The corporate shared service divisions were created to ensure that the Company's subsidiaries and divisions have access to an internal shared service not normally available to mid-size employee benefit firms and thereby ensuring that clients are receiving the best possible consulting advice, and that the Company's subsidiaries have a unique value proposition providing them a competitive edge.

BUSINESS ENVIRONMENT AND STRATEGY

As at April 14, 2016, the Company's business environment and strategy remain unchanged from those described in the Company's 2015 annual MD&A.

OVERVIEW OF OPERATING PERFORMANCE

As a result of a focus on executing its strategic plan, the Company continues to be successful in building upon and growing operational capabilities by investing in employees and the tools they need to provide responsive solutions which address its client's business challenges. The Company wants its clients to experience the benefits that People Corporation professionals bring to the table, to experience the benefits their people can deliver to them, and wants the client relationship to be an experience, not a transaction. The Company continued its positive momentum and strong performance during the quarter.

Operational initiatives include:

- Enhancing the client service model to promote client retention;
- Expanding the product portfolio to expand solutions to the Company's clients.
- Pursuing possible acquisitions which align with the Company's strategic plan;
- Expanding the Company's billing platforms and TPA platforms, thereby increasing the number of product offerings available to clients;
- Promoting and recruiting additional leadership to execute the Company's organic growth plans; and,
- Recruiting additional benefits consultants in order to expand our organic revenue generating capabilities.

Results from implementation of these initiatives, momentum from past initiatives and overall improvement in revenue growth can be seen in the Company's continued strong financial performance.

Growth Through Acquisitions

The Company continues to pursue growth opportunities both organically, increasing its existing business by gaining new clients, increasing product and service penetration with existing clients, as well as through transactions in which the Company acquires new operating entities or subsidiaries. Over the past few years, the Company has enhanced its corporate development capabilities to execute transactions, through significant investments in people, technology and other organizational resources, and has developed techniques, processes and other intellectual capital, all with the objective of creating a compelling value proposition for new entities to join People Corporation.

Given the Company's strong financial position, Management believes it is well positioned to continue to make investments for growth.

The Company will consider acquisitions ranging in size and structure, but all share the characteristic of having a strong underlying strategic rationale, which may include enhancing the Company's position in existing markets or providing entry into new markets, expanding the Company's administrative and technological capabilities, providing new supplier relationships and enhancing the breadth and depth of the Company's product and service offering. At the same time, given the financial characteristics of the underlying businesses, and the structural components and financial terms of the transactions, the Company will continue to focus on achieving attractive financial returns.

With a flexible transaction model to address the objectives of vendors, and an operating model to support the ongoing success and growth of the underlying businesses, the Company continues to attract partners who want to join the People Corporation group of companies. In the past three fiscal years, seven transactions have been completed, and there continues to be significant momentum in this component of the Company's overall growth strategy.

Subsequent to the quarter ended February 29, 2016, the Company purchased 100% of the voting shares of BPA Financial Group Limited ("BPA"), effective April 13, 2016. Established in 1958, with offices located throughout Ontario and Eastern Canada, BPA Financial Group Limited provides group benefit and pension administration, consulting and claims management services to a number of major organizations in Canada.

Based on the exercise by the BPA principals of the options referred to below; this represents a 67% economic interest in BPA for a purchase price of $18,718.8, subject to adjustment for working capital. The purchase price is comprised of a payment of $18,160.8 paid at closing and a payment of $558.0 payable in September 2018. The closing purchase price was funded by a draw of $18,160.8 on the Company's expanded senior credit facility (see Credit Facilities section following). The additional payment in September 2018 is expected to be paid from available cash resources at that time.

In addition, the Company and BPA have entered into an agreement with the BPA principals whereby they have the option to obtain, in aggregate, up to a 33% economic interest in BPA through ownership of non-voting, non-cumulative, subordinate, dividend-bearing shares of BPA, which for certain of the BPA principals have been made available to them by way of options to purchase such shares at a nominal price, which options vest over a period of four and a half years following the closing date. The special shares may, in the future, be acquired by the Company, or sold by the holders to the Company, at a pre-negotiated price, subject to certain terms and conditions.

OUTLOOK

In order to position itself for growth in this environment, the Company invests significantly in people, technology and other organizational resources, and has developed techniques, processes and other intellectual capital to provide a compelling value proposition to its clients. Driven by these investments, the Company continues to pursue growth opportunities both organically, increasing its existing business by gaining new clients and increased penetration of products and services within its existing client base, as well as through acquisitions in which new operating entities or subsidiaries become part of the Company. Given the positive underlying industry fundamentals, the ongoing development of the Company's operating and transaction models, and the overall value proposition the Company provides to stakeholder groups that include its clients, consultants, suppliers and employees, management currently expects to continue to generate growth in the foreseeable future.

NON-IFRS FINANCIAL MEASURES

The Company reports non-IFRS financial measures, including Standardized EBITDA, Adjusted EBITDA, Operating Income before Corporate Costs, Operating Working Capital, hereinafter defined, as key measures used by management to evaluate performance of the business, to compensate employees and to facilitate a comparison of quarterly and annual results of ongoing operations. Adjusted EBITDA is also a concept utilized in measuring compliance with debt covenants. The Adjusted EBITDA measure is commonly reported and widely used by investors and lending institutions as an indicator of a company's operating performance, ability to incur and service debt, and as a valuation metric. While used to assist in evaluating the operating performance and debt servicing ability of the Company, readers are cautioned that Adjusted EBITDA as reported by the Company may not be comparable in all instances to adjusted EBITDA as reported by other companies.

The CPA's Canadian Performance Reporting Board defined EBITDA to foster comparability of the measure between entities ("Standardized EBITDA"). Standardized EBITDA represents an indication of an entity's capacity to generate income from operations before taking into account management's financing decisions and costs of consuming tangible and intangible capital assets, which vary according to their vintage, technological age and management's estimate of their useful life. Accordingly, Standardized EBITDA comprises revenue less operating costs before interest expense, capital asset depreciation, intangible asset amortization and impairment charges, and income taxes. Adjusted EBITDA is calculated to exclude items of an unusual or one-time nature that do not reflect normal or ongoing operations of the Company and should not be included in assessment of ability to service or incur debt. Adjusted EBITDA excludes acquisition, integration and reorganization costs which do not relate to the current operating performance of the business but are typically costs incurred to expand operations or improve productivity and efficiency, Retained Economic Interest representing the minority economic interest portion of earnings, and share-based compensation. Acquisition, integration and reorganization costs are comprised of professional fees and other non-recurring incremental costs incurred to secure and complete specific acquisitions, non-operating outlays associated with integrating acquired operations into the Company's business model subsequent to completion of an acquisition, and non-recurring outlays including consulting and recruiting fees and severance costs associated with reorganization operations to position the Company for building additional scale and to enhance operating performance.

OVERVIEW OF FINANCIAL PERFORMANCE

Adjusted EBITDA

The following is a reconciliation of the Company's Net Income to Standardized EBITDA and Adjusted EBITDA:

	for the three months ended		for the six months ended	
	Feb 29, 2016	**Feb 28, 2015**	**Feb 29, 2016**	**Feb 28, 2015**
Net income	**$ 19.8**	**$ 387.0**	**$ (129.3)**	**$ 695.1**
Add:				
Depreciation and amortization	1,426.2	821.6	3,280.3	1,666.7
Finance expenses, net	1,069.6	584.2	2,363.2	1,257.4
Income taxes, net	806.3	352.6	1,013.9	619.9
Standardized EBITDA	3,321.9	2,145.4	6,528.1	4,239.1
Add:				
Acquisition, integration and reorganization costs	724.7	275.3	938.0	335.3
Share-based compensation	133.3	40.3	378.1	86.0
Retained Economic Interest	(546.7)	-	(1,006.6)	-
Adjusted EBITDA	**$ 3,633.2**	**$ 2,461.0**	**$ 6,837.6**	**$ 4,660.4**

Adjusted EBITDA for the three months ended February 29, 2016 was $3,633.2, an increase of $1,172.2, or 47.6% from $2,461.0 reported for the same period in the prior year. Factors influencing the increase in Adjusted EBITDA include:

- Acquired revenue growth of $4,929.0 representing the increase in revenue resulting from the increased contribution to run rates from 2015 acquisitions;

- Organic revenue growth of $1,432.8 representing the increase in revenue resulting from the addition of new clients from the Company's existing and expanded benefits consulting team and natural inflationary factors;
- Increased salaries, bonuses and commissions of $3,713.7 primarily attributable to the increased employee count resulting from the acquisition of Coughlin, the expansion of the consulting team through hiring additional benefit consultants and support staff, and increased commissions resulting from organic growth in sales;
- Increased operating costs of $929.2 primarily attributable to the acquired operations of Coughlin and organic growth of the Company's business; and
- Retained Economic Interest of Coughlin representing the vendors' share of Coughlin Adjusted EBITDA was $546.7.

Adjusted EBITDA for the six months ended February 29, 2016 was $6,837.6, an increase of $2,177.2, or 46.7% from $4,660.4 reported for the same period in the prior year. Factors influencing the increase in Adjusted EBITDA include acquired revenue growth of $9,629.0 resulting from the increased contribution to run rates from 2015 acquisitions, organic revenue growth of $1,984.1 resulting from the addition of new clients and natural inflationary factors. Other factors include increased salaries, bonuses and commissions of $7,173.0, increased operating costs of $1,256.3, and Retained Economic Interest of Coughlin representing the vendors' share of Coughlin Adjusted EBITDA of $1,006.6. These increases were primarily affected by acquired operations of Coughlin and organic growth of the Company's business.

Operating Income Before Corporate Costs

The following is a reconciliation of the Company’s Net Income to Operating Income before Corporate Costs:

	for the three months ended		for the six months ended	
	Feb 29, 2016	**Feb 28, 2015**	**Feb 29, 2016**	**Feb 28, 2015**
Adjusted EBITDA	**$ 3,633.2**	**$ 2,461.0**	**$ 6,837.6**	**$ 4,660.4**
Add:				
Corporate costs	1,250.8	1,268.8	2,132.4	2,134.7
Operating income before corporate costs	**$ 4,884.0**	**$ 3,729.8**	**$ 8,970.0**	**$ 6,795.1**

Corporate costs, which represent expenses incurred at the corporate office, such as executive remuneration, public company compliance costs, insurance and corporate development activities, for the three months ended February 29, 2016 were $1,250.8 versus $1,268.8 for the same period in the prior year.

Revenue

Revenue from the Consulting Solutions division is primarily comprised of commissions from insurance carriers. In addition, the Company earns fees from pension assets under administration which are paid by the carrier who administers and invests the funds. The Company is a reseller of benefit products and services and therefore assumes no underwriting risk as the insurance policy is underwritten by the insurance carrier.

Revenue from the Group Benefit Solutions division is primarily from fees earned for third party administration services.

Revenue from the Shared Services division is primarily earned through commissions which are paid by the insurance carriers and fees earned from pension assets under administration which are paid by the carrier who administers and invests the funds.

The Human Resource Solutions revenue is primarily earned from hourly or fixed fees for consulting services and as a percentage of compensation for recruiting services.

Revenue is as follows:

	for the three months ended				for the six months ended			
	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance
	$ 18,336.6	$ 11,974.9	$ 6,361.7	53.1 %	$ 34,651.5	$ 23,038.4	$ 11,613.1	50.4 %

For the three months ended February 29, 2016, the Company experienced revenue growth of $6,361.7 or 53.1%. The Company recognized acquired growth of $4,929.0 (41.2%) representing the increase in revenue resulting from the increased contribution to run rates from 2015 acquisitions and organic growth of $1,432.7 (11.9%). Organic growth is primarily comprised of the increase in revenue resulting from the addition of new clients from the Company's existing and expanded benefits consulting team and natural inflationary factors as compared to the prior year.

For the six months ended February 29, 2016, the Company experienced revenue growth of $11,613.1 or 50.4%. The Company recognized acquired growth of $9,629.0 (41.8%) representing the increase in revenue resulting from the increased contribution to run rates from 2015 acquisitions and organic growth of $1,984.1 (8.6%). Organic growth is comprised of the increase in revenue resulting from the addition of new clients from the Company's existing and expanded benefits consulting team and natural inflationary factors.

Personnel and Compensation Expenses

The largest operating expense of the Company is compensation and related costs which includes salaries, bonuses and commissions, stock-based compensation, group benefits, and payroll taxes.

Personnel and compensation expenses are as follows:

	for the three months ended				for the six months ended			
	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance
	$ 10,647.3	$ 6,933.6	$ 3,713.7	53.6 %	$ 20,540.5	$ 13,367.5	$ 7,173.0	53.7 %

For the three months February 29, 2016, personnel and compensation costs represent 58.1% of revenues (2015 - 57.9%). The Company believes that investment in its employees and associate consultant networks is key to ensuring successful execution of its strategic plans.

The increase in salaries, bonuses and commissions for the three months ended February 29, 2016 of $3,713.7 from $6,933.6 to $10,647.3 is primarily attributable to the increased employee count resulting from the acquisition of Coughlin during the 2015 fiscal year. Other factors include the expansion of the corporate management team, the consulting team through hiring additional benefit consultants in a number of markets in order to expand organic growth opportunities, and net increased commissions resulting from organic growth in sales, which is reflective of the variable relationship between revenue and commissions.

For the six months ended February 29, 2016, personnel and compensation costs represent 59.3% of revenues (2015 - 58.0%). The increase in salaries, bonuses and commissions for the six months ended February 29, 2016 of $7,173.0 from $13,367.5 to $20,540.5 is primarily attributable to the increased employee count resulting from the acquisition of Coughlin during the 2015 fiscal year. The remainder of the increase is primarily due to factors similar to those affecting the three month period.

General and Administrative Expenses

General and administrative expenses include expenses relating to travel, office supplies, telephone and internet, computer costs, professional fees, advertising, business development and other less significant categories.

General and administrative expenses are as follows:

	for the three months ended				for the six months ended			
	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance
	$ 2,602.7	$ 1,706.8	$ 895.9	52.5 %	$ 4,114.4	$ 3,091.9	$ 1,022.5	33.1 %

General and administrative expenses have increased by $895.9 for the three months ended February 29, 2016 primarily due to incremental costs incurred to support the ongoing growth strategy of the Company, specifically:

- An increase in acquisition, integration and restructuring costs of $449.3 primarily comprised of costs related to the acquisition and integration of Coughlin, as well as other acquisition activity; and,
- An net increase of $480.9 resulting from a higher general and administrative run-rate due to the Coughlin acquisition in the fourth quarter of last year, offset by a decrease in professional fees resulting from one-time costs incurred in the comparative period relating to the investments in leadership and benefit consulting positions and accounting and legal costs incurred to execute certain strategic initiatives.

For the six months ended February 29, 2016, general and administrative expenses have increased by $1,022.5 primarily due to incremental costs incurred to support the ongoing growth strategy of the Company, specifically:

- An increase in acquisition, integration and restructuring costs of $602.7 primarily comprised of costs related to the acquisition and integration of Coughlin, other acquisition activity, and reorganizing certain aspects of its organizational structure to position the Company positively for the future; and,
- A net increase of $419.8 resulting from a higher general and administrative run-rate due to the Coughlin acquisition in the fourth quarter of last year, offset by a decrease in professional fees resulting from the same factors affecting the three month period, discussed above. In addition, a greater portion of professional fees required in the current fiscal year pertained to Acquisition, Integration and Reorganization objectives.

Depreciation and Amortization Expense

Depreciation is recognized over the estimated useful lives of each part of an item of property and equipment in a manner which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Definite life intangible assets are amortized from the date of acquisition or, for internally developed assets, from the time the asset is available for use. Amortization is recognized either on a declining balance or on a straight-line basis over the estimated useful life of the asset.

Depreciation and amortization expense is as follows:

	for the three months ended				for the six months ended			
	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance
	$ 1,426.2	$ 821.6	$ 604.6	73.6 %	$ 3,280.3	$ 1,666.7	$ 1,613.6	96.8 %

Depreciation and amortization expense increased by $604.6 for the three months ended February 29, 2016 primarily due to significant additions to intangible assets during the 2015 fiscal year.

Depreciation expense on property, plant and equipment decreased by $65.6. Significant additions in the comparative period of the prior year relating to leasehold improvements and furniture and fixtures pertaining to increased leased space and additional employees, as well as investments in computer equipment relating to server infrastructure and enhancements to the corporate disaster recovery plan contributed to an increase in the cost basis during the comparative period, resulting in higher depreciation which has decreased over the course of time.

Amortization expense and impairment losses on customer relationships, customer contracts and software increased by $670.2 primarily due to additions of customer relationships resulting from the acquisition of Coughlin.

For the six months ended February 29, 2016, depreciation and amortization expense increased by $1,613.6 primarily due to significant additions to intangible assets during the 2015 fiscal year.

Depreciation expense on property, plant and equipment increased by $67.8 due to additions to leasehold improvements and furniture and fixtures pertaining to increased leased space and additional employees, as well as investments in computer equipment in the 2015 fiscal year relating to server infrastructure and enhancements to the corporate disaster recovery plan.

Amortization expense and impairment losses on customer relationships, customer contracts and software increased by $1,545.7 primarily due to additions of customer relationships resulting from the acquisition of Coughlin in the 2015 fiscal year as well as ongoing investments in software development for the TPA platform.

Occupancy Costs

Occupancy costs are as follows:

	for the three months ended				for the six months ended			
	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance
	$ 908.0	$ 571.6	$ 336.4	58.9 %	$ 1,799.4	$ 1,122.4	$ 677.0	60.3 %

Occupancy costs increased by $336.4 for the three months ended February 29, 2016 primarily due to incremental lease costs associated with the acquisition of Coughlin during the 2015 fiscal year.

Occupancy costs increased by $677.0 for the six months ended February 29, 2016 primarily due to incremental lease costs associated with the acquisition of Coughlin during the 2015 fiscal year as well as increased lease space and increased rates on renewal of lease agreements.

Administration Fees

Administration fees represent amounts paid by the company to third party claims adjudicators for services provided on behalf of the Company to certain of its clients on its TPA platform.

Administration fees are as follows:

	for the three months ended				for the six months ended			
	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance
	$ 725.2	$ 504.2	$ 221.0	43.8 %	$ 1,436.9	$ 1,035.4	$ 401.5	38.8 %

Administration fees increased by $221.0 for the three months ended February 29, 2016 and by $401.5 for the six months ended February 29, 2016 due to an increase in claims processing fees. The increase in claims processing fees is volume driven and is a direct result from the increase in TPA revenue.

Finance Expenses

Finance expenses, net of interest income, are as follows:

	for the three months ended				for the six months ended			
	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance
	$ 1,069.6	$ 584.2	$ 485.4	83.1 %	$ 2,363.2	$ 1,257.4	$ 1,105.8	87.9 %

Finance expenses increased by $485.4 for the three months ended February 29, 2016. The change is primarily due to an increase of $348.7 in accretion expense and fair value adjustments to contingent consideration, vendor take-back notes and the non-controlling interest put obligations, primarily driven by additions to non-controlling interest put obligations resulting from the acquisition of Coughlin. In addition to the increase in accretion expense, interest and finance costs on long-term debt increased by $145.7 as a result of an increase in outstanding debt from the draw-down of the Company's acquisition credit facility relating to the acquisition of Coughlin.

Finance expenses increased by $1,105.8 for the six months ended February 29, 2016. The change is primarily due to an increase of $1,027.8 in fair value adjustments to the non-controlling interest put obligations and accretion of contingent consideration and vendor take-back notes, primarily driven by additions to non-controlling interest put obligations resulting from the acquisition of Coughlin.

Public Company Costs

Public Company costs are as follows:

	for the three months ended				for the six months ended			
	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance
	$ 131.6	$ 113.3	$ 18.3	16.2 %	$ 232.1	$ 182.1	$ 50.0	27.5 %

Public company costs have increased by $18.3 for the three months ended February 29, 2016. The increase can be attributed to higher TSX-V filing costs due to higher market capitalization and increased directors' fees.

Public company costs have increased by $50.0 for the six months ended February 29, 2016. The increase can be attributed to higher TSX-V filing costs due to higher market capitalization and increased directors' fees resulting from more frequent meetings as well as the addition of an independent director.

SELECTED QUARTERLY INFORMATION

The selected financial information provided below is derived from the Company's unaudited quarterly financial statements for each of the last eight quarters:

	Q2 - 2016	Q1 - 2016	Q4 - 2015	Q3 - 2015	Q2 - 2015	Q1 - 2015	Q4 - 2014	Q3 - 2014
Revenue	$ 18,336.6	$ 16,314.9	$ 15,767.2	$ 10,487.6	$ 11,974.9	$ 11,063.6	$ 10,008.4	$ 11,577.0
Operating & corporate expenses	(14,156.7)	(12,650.4)	(13,408.9)	(8,345.1)	(9,513.9)	(8,864.2)	(8,613.6)	(9,612.2)
Adjusted EBITDA	3,633.2	3,204.6	2,358.3	2,142.5	2,461.0	2,199.4	1,394.8	1,964.8
Finance expenses	(1,069.6)	(1,293.6)	240.1	(631.4)	(584.2)	(673.2)	(437.8)	(466.3)
Depreciation and amortization	(1,426.2)	(1,854.1)	(1,364.7)	(903.9)	(821.6)	(845.1)	(787.7)	(801.8)
Write down of capital assets	-	-	-	-	-	-	-	(28.5)
Share-based compensation	(133.3)	(244.8)	(62.4)	(70.2)	(40.3)	(45.7)	(44.7)	(50.6)
Retained Economic Interest	546.7	459.8	441.3	-	-	-	-	-
Income tax expense, net	(806.3)	(207.6)	60.2	(317.6)	(352.6)	(267.3)	(509.1)	(455.1)
Acquisition, integration and reorganization costs	(724.7)	(213.4)	(622.3)	(570.5)	(275.3)	(60.0)	(40.6)	(19.6)
Net income	19.8	(149.1)	1,050.5	(351.1)	387.0	308.1	(425.1)	142.9
Total assets	112,809.7	113,105.2	114,597.3	69,808.2	57,440.7	57,838.5	56,109.4	63,356.5
Total loans and borrowings	24,343.9	25,285.0	25,409.6	9,773.5	9,986.8	10,637.0	9,660.4	16,847.5
Total other liabilities	44,062.0	43,645.1	45,108.3	19,748.9	20,495.9	20,689.1	20,427.0	20,108.4
Shareholders' equity	44,403.7	44,175.1	44,079.4	40,285.8	26,958.1	26,512.5	26,021.9	26,400.6
Adjusted EBITDA per share	0.081	0.082	0.053	0.052	0.062	0.055	0.039	0.054
Earnings per share (basic)	0.000	(0.003)	0.023	(0.009)	0.010	0.008	(0.012)	0.004
Earnings per share (diluted)	0.000	(0.003)	0.023	(0.009)	0.009	0.008	(0.012)	0.004

Adjusted EBITDA for the three months ended February 29, 2016 was $3,633.2, representing an increase of $1,172.2 or 47.6%, as compared to the same period in fiscal 2015. The growth in Adjusted EBITDA for the three month period was comprised of:
- Acquired revenue growth of $4,929.0;
- Organic revenue growth of $1,432.8; offset by,
- Increased salaries, bonuses and commissions of $3,713.7 primarily attributable to the acquired employee count, the expansion of the consulting team, and increased commissions resulting from organic growth in sales; and
- Increased operating costs of $929.2 primarily attributable to the acquired operations of Coughlin and organic growth of the Company's business.
- Retained Economic Interest of Coughlin representing the vendors' share of Coughlin Adjusted EBITDA was $546.7.

The Company can experience fluctuations in timing of revenue between quarters and, as a result, Adjusted EBITDA as a percentage of revenue is less meaningful on a quarterly basis.

Finance expenses for the second quarter of fiscal 2016 were $1,069.6, representing an increase of $485.4 or 83.1%, as compared to the same period in fiscal 2015. The increase in finance expenses for the three month period was primarily due to the fair value of the Coughlin non-controlling put liability which was not present in the comparative period in the prior year as well as higher interest and finance costs on long-term debt resulting from an increase to the credit facility to fund the Coughlin acquisition.

Depreciation and amortization for the second quarter of fiscal 2016 was $1,426.2, representing an increase of $604.6 or 73.6%, as compared to the same period in fiscal 2015, primarily due to increased amortization of customer lists acquired related to the Coughlin acquisition.

Retained Economic Interest of Coughlin representing the vendors' 34% of Coughlin Adjusted EBITDA was $546.8.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity ensures the Company has sufficient financial resources available at all times to meet its obligations. This involves effectively managing assets and liabilities while maintaining an optimal capital structure. The Company manages this risk by ensuring it has adequate cash and access to credit to meet its obligations in the most cost-effective manner possible. Cash flow from operations, together with cash on hand and unutilized credit available on existing credit facilities are expected to be sufficient to meet operating and capital expenditure requirements.

The Company also continues to actively investigate acquisition and other growth opportunities. The Company expects to finance future acquisitions from a combination of available cash, unutilized credit available on existing credit facilities, vendor financing, expanded credit facilities, issuance of equity as part of the consideration and equity proceeds from treasury issuance.

Contractual Obligations

The following table summarizes, as at February 29, 2016, the Company's contractual obligation for the periods specified.

	Payments due by period				
	Total	**Less than 1 Year**	**1 - 3 Years**	**4 - 5 Years**	**Thereafter**
Accounts payable and accrued liabilities	$ 4,081.1	$ 4,081.1	$ -	$ -	$ -
Operating lease obligations	5,311.5	1,737.4	2,641.3	932.8	-
Obligations under finance leases	-	-	-	-	-
Vendor-take-back loans	2,303.9	1,060.0	947.7	296.2	-
Term loans	6,265.0	735.0	5,530.0	-	-
Acquisition line	15,775.0	-	15,775.0	-	-
	$ 33,736.5	$ 7,613.5	$ 24,894.0	$ 1,229.0	$ -

Management believes that operations will generate sufficient cash flows to fund ongoing operations and finance its seasonal working capital needs.

Cash Flows

The following table summarizes the Company’s cash flows for the three and six months ended February 29, 2016:

For the three months ended	**Feb 29, 2016**	**Feb 28, 2015**	**$ Variance**	**% Variance**
Net income for the period	$ 19.8	$ 387.0	$ (367.2)	(94.9)%
Add non-cash items, net	2,333.6	1,174.6	1,159.0	98.7 %
Changes in non-cash working capital	921.0	(1,770.7)	2,691.7	(152.0)%
Net cash from (used by) operating activities	3,274.4	(209.1)	3,483.5	(1,665.9)%
Net cash from (used by) investing activities	(849.7)	(428.5)	(421.2)	98.3 %
Net cash from (used by) financing activities	(1,354.4)	(632.4)	(722.0)	114.2 %
Net increase in cash	**$ 1,070.3**	**$ (1,270.0)**	**$ 2,340.3**	**(184.3)%**

For the six months ended	Feb 29, 2016	Feb 28, 2015	$ Variance	% Variance
Net income for the period	$ (129.3)	$ 695.1	$ (824.4)	(118.6)%
Add non-cash items, net	4,863.2	2,224.8	2,638.4	118.6 %
Changes in non-cash working capital	(618.6)	(1,834.6)	1,216.0	(66.3)%
Net cash from operating activities	4,115.4	1,085.3	3,030.1	279.2 %
Net cash from (used by) investing activities	(1,468.0)	(516.0)	(952.0)	184.5 %
Net cash from (used by) financing activities	(1,473.6)	426.6	(1,900.2)	(445.4)%
Net increase in cash	**$ 1,173.8**	**$ 995.9**	**$ 177.9**	**17.9 %**

Cash generated from operating activities for the three months ended February 29, 2016 was $3,274.4, an increase of $3,483.5 from the $209.1 of cash used in the same period in the prior year primarily due incremental increases in revenue and Adjusted EBITDA as well as changes in working capital accounts, including a decrease in trade and other receivables of $549.9 and an increase in trade payables and accrued and other liabilities of $512.1. Significant influences of cash inflows and outflows related to operating activities for the three months ended February 29, 2016 versus the same period in the prior year include:

- Increase in cash resulting from changes in working capital accounts of $2,691.7 including the effect of accounts receivable, accounts and other payables, income taxes receivable, and deferred revenue. The majority of the change in working capital is a result of a decrease in trade and other receivables and an increase in trades payables, accrued and other liabilities.
- Increase in Adjusted EBITDA of $1,172.2, as compared to the comparable period in the prior year. Management believes Adjusted EBITDA is a valuable indicator of the Company's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures.

Cash used by investing activities for the three months ended February 29, 2016 of $849.7 was used to fund additions to property and equipment and software. Direct costs were also incurred related to the acquisition of customer relationships and the acquisition of customer contracts with fixed terms.

Cash used by financing activities for the three months ended February 29, 2016, was $1,354.4, as compared to cash used of $632.4 in the comparative period of the prior year when the credit facility was established. Cash outflows related to repayment of vendor-take-back loans and long-term debt of $979.9 and the payment of Coughlin dividends related to the non-controlling interest in Coughlin.

Cash generated from operating activities for the six months ended February 29, 2016 was $4,115.4, an increase of $3,030.1 or 279.2% from the $1,085.3 of cash generated in the same period in the prior year. Significant influences of cash inflows and outflows related to operating activities for the six months ended February 29, 2016 versus the same period in the prior year include:

- Increase in cash resulting from changes in working capital accounts of $1,216.0 including the effect of trade and other receivables, trade payables, accrued and other liabilities, and deferred revenue. The majority of the change in working capital is a result a decrease in deferred revenue and changes in trade and other receivables and trade payables, accrued and other liabilities. An increase in cash from a change in trade and other receivables of $1,898.3, offset by a decrease in cash from a change in trade payables, accrued and other liabilities and deferred revenue of $789.3 and $424.9, respectively, accounts for the majority of the change. Changes in deferred revenue are the result from timing differences between when funds are received and when revenue is recognized and services are provided to customers.
- Increase in Adjusted EBITDA of $2,177.2, as compared to the comparable period in the prior year. Management believes Adjusted EBITDA is a valuable indicator of the Company's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide opportunities for growth to shareholders and benefits for other stakeholders and to maintain financial flexibility in, or to take advantage of, organic growth and new acquisition opportunities as they arise.

In the management of capital, the Company includes cash, bank financing, vendor-take-back debt and shareholders' equity in the definition of capital. The Company manages its capital structure and can adjust it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, the Company may issue new shares, issue new debt, renegotiate vendor-take-back debt or issue new debt to replace existing debt with different characteristics. The Company has the opportunity to use its operating line of credit during the year to finance cash flows related to seasonal changes in non-cash working capital items. The Company did not make use of its operating line of credit during the first six months of the year.

Working Capital

The Company's working capital (defined as current assets less current liabilities) at February 29, 2016 is set forth in the table below. The Company defines Operating Working Capital as current assets less current liabilities, with an exclusion of certain current liabilities from such calculation. The current liabilities excluded are comprised of:

Deferred Revenue

Deferred revenue represents the excess of retainer amounts billed over costs incurred and revenue earned on service contracts. The amount is amortized into income as services are rendered, in accordance with the revenue recognition policies described in the Company's financial statements. Group benefit commission revenue from clients where advisory services and plan administration services are provided by the Company is generally received in advance and recorded as deferred revenue. Fee revenue that is contingent on certain criteria being met is included in deferred revenue until the criteria have been met.

Deferred revenue is a non-cash liability and therefore management believes that adding back the deferred revenue provides a more accurate reflection of the liquidity and working capital position of the Company.

The table below reconciles the differences in the calculation of working capital and Available Operating Working Capital.

	Feb 29, 2016	Aug 31, 2015
Current assets	$ 15,229.2	$ 15,203.4
Less:		
Current liabilities	9,889.5	12,387.0
Working capital	5,339.7	2,816.4
Add back:		
Deferred revenue	4,013.4	4,951.7
Operating working capital	**$ 9,353.1**	**$ 7,768.1**

Operating Working Capital has increased by $1,585.0 to a surplus of $9,353.1 compared to the Operating Working Capital surplus of $7,768.1 at August 31, 2015. The increase in Operating Working Capital is due to a decrease in trade payables, accrued and other liabilities, deferred revenue, and the current portion of loans and borrowings. The decrease in trade payables, accrued and other liabilities is largely due to the timing of payments of staff and management bonuses relating to the 2015 fiscal year. The reduction in deferred revenue is primarily the result of the provision of services with respect to the Student Benefits division. Lastly, the decrease related to the current portion of loans and borrowings can be attributed to a repayment of vendor-take-back loans and principal on long-term debt.

The Company maintains a revolving operating line of credit of $5,000.0 to facilitate management of short-term working capital requirements. As at February 29, 2016, the Company had not utilized this facility.

Credit Facilities

Effective October 31, 2014, the Company entered into a Senior Credit Facility Agreement with Canadian Imperial Bank of Commerce ("CIBC") as lead lender of a syndicated loan facility. The credit facility includes the following components:

- Operating Revolver totalling $5,000.0 to fund operating cash flow needs;
- Term Loan totaling $7,000.0 used to refinance the outstanding balance of the acquisition facility under the previous credit agreement; and,
- Acquisition Revolver totalling $23,000.0 used to fund future acquisitions.

The agreement also has an Accordion Feature, which provides for an option, subject to the satisfaction of certain terms and conditions, to increase the Acquisition Revolver by up to $15,000.0 of additional capacity. This would result in an increase in the size of the Acquisition Revolver of up to $38,000.0 and overall credit capacity of up to $50,000.0.

The facility matures on October 31, 2017, and the Company has the option to extend it to October 31, 2019. The Term Loan requires quarterly principal repayments of $140.0 per quarter for the first year, $175.0 per quarter in the second year and $210.0 per quarter in the third year, with the balance due at maturity. The Operating Revolver and Acquisition Revolver do not have scheduled principal repayments prior to maturity.

The loans bear interest at a floating rate based on prime or banker's acceptances plus a credit margin based on the Company's quarterly leverage ratio. The facility is secured by a general security agreement over the assets of the Company and its subsidiaries and is subject to both financial and non-financial covenants, including maximum total leverage and senior leverage ratios and minimum fixed charge coverage ratios.

The new facility replaces the Company's previous credit facility that was entered into in 2011 and has been subsequently amended.

At February 29, 2016, the Company had a balance of $6,265.0 outstanding on the $7,000.0 drawn on the Term Loan, $15,775.0 outstanding on the Acquisition Revolver and was compliant with all financial covenants.

At February 29, 2016, the Company had unutilized and available credit of $12,225.0, including $5,000.0 on the Operating Revolver and $7,225.0 to fund acquisitions on the Acquisition Revolver.

Subsequent to the end of the quarter and in conjunction with the acquisition of BPA, the Company's senior lender increased the Company's senior credit facility by $26,215.0 to a total of $61,215.0. The amended credit facility consists of a $5,000.0 revolving facility (the "Revolving Credit Facility"), a $22,215.0 term loan (the "Term Loan"), and a $34,000.0 revolving acquisition facility (the "Acquisition Revolver"). In addition, the expanded facility provides for an option (the "Accordion Feature"), subject to the satisfaction of certain terms and conditions, to increase the Acquisition Revolver by an additional $15,000.0 of capacity, which would result in the size of the Acquisition Revolver being increased to $49,000.0, and overall credit capacity being increased to $76,215.0. In conjunction with the facility expansion, the term of the facility has also been extended to October 31, 2019. Upon the closing of the acquisition, the Company has $40,200.8 drawn on the credit facility, comprised of $22,215.0 under the Term Loan and $17,985.8 on the Acquisition Revolver. No funds have been drawn on the Revolving Credit Facility.

Share Capital

The Company has authorized share capital of an unlimited number of common voting shares. The Company's outstanding securities are comprised of:

	Feb 29, 2016	Aug 31, 2015
Common shares issued and outstanding	45,143,383	44,958,383
Stock options outstanding	1,154,213	1,107,679

Contingencies

In the ordinary course of operating the Company's business it may from time to time be subject to various claims or possible claims. Although management currently believes there are no claims or possible claims that if resolved would either individually or collectively result in a material adverse impact on the Company's financial position, results of operations, or cash flows, these matters are inherently uncertain and management's view of these matters may change in the future.

RISK FACTORS

The Company operates in a well-established and highly competitive industry and its results of operations, business prospects and financial condition are subject to a number of risks and uncertainties and are affected by a number of factors outside the control of management of the Company. The risk and uncertainties remain substantially unchanged from those disclosed in the Company's 2015 annual and fourth quarter MD&A.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Critical accounting policies are defined as those that are both very important to the portrayal of the Company’s financial condition and results, and require management’s most difficult, subjective or complex judgments. Management is required in preparing the Company’s financial statements, in accordance with IFRS, to make certain estimates, judgments and assumptions that it believes are reasonable based upon available information, historical information and/or forecasts. These estimates, judgments and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting periods. Actual results could differ from these estimates. The accounting policies which management believes are the most critical to aid in fully understanding and evaluating the Company's reported financial results include those relating to revenue recognition, business acquisitions and accounting for the resulting customer relationships and contracts, goodwill and income taxes.

The critical accounting estimates are substantially unchanged from those identified in the Company's 2015 annual and fourth quarter MD&A.

SEASONALITY

As the Company continues to grow through acquisitions, the revenue trends from quarter to quarter may change depending on the relative significance of acquisitions in a fiscal year and the seasonal variances of the client renewals of those particular acquisitions. As the company continues to grow both organically and through acquisitions the revenue and Adjusted EBITDA trends from quarter to quarter within a fiscal may continue to vary, however the annual revenue trends will increasingly be more representative of the Company's annual revenue run rate as the company achieves increasing scale.

OFF-BALANCE SHEET ARRANGEMENTS

Other than as outlined below, the Company does not have any off-balance sheet arrangements.

Concurrent with the acquisition of Coughlin, the Company assumed the role of sponsor of certain individual pension plans ("IPP") which had been established prior to the date of acquisition. While the IPPs are ongoing, the Company's obligation to make contributions towards any funding deficiency required by pension legislation is indemnified by the beneficiaries of the respective IPP. Conversely, any funding surpluses are payable to the beneficiaries of the respective IPP. As a result, the Company has no net exposure to unfunded or overfunded IPPs.

FINANCIAL INSTRUMENTS

The financial instruments of the Company consist of basic financial instruments which are typically used in the Company's operation, including cash, restricted cash, accounts receivable, accounts payable and other liabilities, obligations under capital lease, non-controlling interest put options and long-term debt.

For the current assets and liabilities, the main risk is the credit risk associated with accounts receivable. The credit risk is reduced due to a diversified customer base. The risks associated with long-term debt include the risk of interest rate increases and the risk of potential defaults in debt payments due to insufficient cash flows.