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

As at and for the three and nine months ended May 31, 2016

PEOPLE CORPORATION

people CORPORATION

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This Management's Discussion and Analysis ("**MD&A**") has been prepared with an effective date of July 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 nine months ended May 31, 2016 (the "May 31, 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 "**Standardized EBITDA**" (net income before finance expense, income tax expense, depreciation and amortization), "**Adjusted EBITDA before REI**" (*Standardized EBITDA* before acquisition, integration and reorganization costs, and share-based compensation expense), or "**Adjusted EBITDA**" (*Adjusted EBITDA before REI* after the reduction for Retained Economic Interest by vendor), operating income before corporate costs ("**Operating Income before Corporate Costs**"), the retained economic interest held by the vendors and/or principals of acquired companies ("**REI**"), corporate costs and 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 before REI, 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

The Company's financial results for the three months and nine months ended May 31, 2016 fully reflect the effect of last year's acquisition of Coughlin & Associates Ltd. ("Coughlin") and organic growth initiatives. The effect of the acquisition of BPA Financial Group Limited ("BPA") is partially reflected in the results as the transaction closed on April 13, 2016.

	for the three months ended		for the nine months ended	
	May 31, 2016	**May 31, 2015**	**May 31, 2016**	**May 31, 2015**
Revenue	$ 20,248.1	$ 10,487.6	$ 54,899.7	$ 33,526.0
Adjusted EBITDA	$ 3,461.4	$ 2,142.4	$ 10,299.2	$ 6,803.1
Adjusted EBITDA per share (Basic)	$ 0.077	$ 0.052	$ 0.229	$ 0.169
Net Income (Loss)	$ 231.7	$ (351.2)	$ 102.4	$ 343.9
Net income per share (Basic)	$ 0.005	$ (0.009)	$ 0.002	$ 0.009
Net income per share (Diluted)	$ 0.005	$ (0.008)	$ 0.002	$ 0.008

For the three months ended May 31, 2016, the Company experienced revenue growth of $9,760.5 or 93.1%. The Company recognized acquired growth of $7,526.9 (71.8%) and organic growth of $2,233.6 (21.3%). 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 third quarter of fiscal 2016 was $3,461.4, representing an increase of $1,319.0 or 61.6%, 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 third quarter revenue, partially offset by increases in variable compensation expenses tied directly to the higher revenue, expansion of the consulting team through hiring additional benefit consultants and expansion of the leadership team. 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 May 31, 2016, the Company reported an increase in Net Income of $582.9 resulting from the increase in revenue and Adjusted EBITDA, partially offset by costs primarily related to the BPA acquisition, including an increase in acquisition, integration and reorganization costs, finance expenses and acquisition-related amortization of intangible assets and accretion of REI liabilities resulting from 2015 and 2016 acquisitions.

For the nine months ended May 31, 2016, the Company experienced revenue growth of $21,373.7 or 63.8%. The Company recognized acquired growth of $17,155.9 (51.2%) and organic growth of $4,217.8 (12.6%). 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 nine months ended May 31, 2016 was $10,299.2, representing an increase of $3,496.1 or 51.4%, as compared to the same period in fiscal 2015. Growth in Adjusted EBITDA for the nine 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, expansion of the consulting team through hiring additional benefit consultants and expansion of the leadership team.

For the nine months ended May 31, 2016, the Company reported an decrease in Net Income of $241.5 resulting from the increase in revenue and Adjusted EBITDA, offset by higher costs primarily related to the BPA acquisition, including an increase in acquisition, integration and reorganization costs, finance expenses and acquisition-related amortization of intangible assets and accretion of REI liabilities resulting from 2015 and 2016 acquisitions.

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 600 employees and contractors with thirty-five offices (includes 17 satellite offices) located in nine 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:

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 July 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:

- Launched the 'Talent Academy' through which the benefit consulting team was expanded;
- Recruited top talent to facilitate integration planning, technology development and strategic planning;
- Launched a proprietary technology-based consulting platform to enhance the capabilities of the benefit consulting team;
- Completed Phase 1 integration of Coughlin and commenced Phase 1 integration of BPA; and
- Launched a proprietary insured benefit solution with a major insurance carrier.

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, eight transactions have been completed, and there continues to be significant momentum in this component of the Company's overall growth strategy.

Effective April 13, 2016, the Company acquired BPA Financial Group Limited ("BPA"), an independent full service national firm providing group benefit and pension administration consulting and claims management services to corporations and multi-employer trust organizations in Canada. The Company holds a 100% voting interest and a 67% economic interest in BPA through ownership of all of the issued dividend-bearing common shares of BPA ("Company Shares").

The principals of BPA collectively hold non-voting, non-cumulative, dividend-bearing shares of BPA ("BPA Principal Shares") and options to acquire BPA Principal Shares at a nominal price over a period of approximately four and one-half years from April 13, 2016. ("BPA Share Options"), which upon exercise of the options will result in the BPA Principals holding an aggregate 33% economic interest in BPA ("BPA Retained Economic Interest"). Commencing November 29, 2016, the issued Company Shares and BPA Principal Shares have an ongoing contractual right to receive quarterly dividends based on a calculation derived from BPA's earnings. The Company is entitled to a priority on the payment of dividends declared on the BPA dividend-bearing shares to the extent of a specified earnings amount.

In addition, the Company has the right to purchase the BPA Principal Shares ("BPA Call Options") and individual BPA Principals have the right to require the Company to purchase the BPA Principal Shares (collectively, the "BPA Put Options") by giving notice to the Company. On the effective date of exercise of the BPA Call Options or the BPA Put Options, the BPA Principal's right to earn dividends will be terminated.

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 nine months ended	
	May 31, 2016	**May 31, 2015**	**May 31, 2016**	**May 31, 2015**
Net income	**$ 231.7**	**$ (351.2)**	**$ 102.4**	**$ 343.9**
Add:				
Depreciation and amortization	1,686.3	903.9	4,966.6	2,570.6
Finance expenses, net	1,334.3	631.4	3,697.5	1,888.8
Income taxes, net	(303.0)	317.6	710.9	937.6
Standardized EBITDA	**2,949.3**	**1,501.7**	**9,477.4**	**5,740.9**
Add:				
Acquisition, integration and reorganization costs	1,072.6	570.5	2,010.7	905.9
Share-based compensation	152.6	70.2	530.7	156.3
Adjusted EBITDA before REI	**4,174.5**	**2,142.4**	**12,018.8**	**6,803.1**
Less:				
REI	(713.1)	-	(1,719.6)	-
Adjusted EBITDA	**$ 3,461.4**	**$ 2,142.4**	**$10,299.2**	**$ 6,803.1**
Adjusted EBITDA before REI as a % of Revenue	20.6 %	20.4 %	21.9 %	20.3 %
Adjusted EBITDA as a % of Revenue	17.1 %	20.4 %	18.8 %	20.3 %

Adjusted EBITDA for the three months ended May 31, 2016 was $3,461.4, an increase of $1,319.0, or 61.6% from $2,142.4 reported for the same period in the prior year. Factors influencing the increase in Adjusted EBITDA include:

- Acquired revenue growth of $7,526.9 representing the increase in revenue resulting from the increased contribution to run rates from 2015 and 2016 acquisitions as well as an increase in organic growth of $2,233.6;
- Increased salaries, bonuses and commissions of $5,914.6 primarily attributable to the increased employee count resulting from the acquisition of Coughlin and BPA, expansion of the consulting team through hiring additional benefit consultants and expansion of the leadership team;
- Increased operating costs of $1,814.0 primarily attributable to the acquired operations of Coughlin and BPA; and
- REI of Coughlin and BPA representing the vendors' interest in Coughlin and BPA Adjusted EBITDA was $529.0 and $184.0, respectively.

Adjusted EBITDA for the nine months ended May 31, 2016 was $10,299.2, an increase of $3,496.1, or 51.4% from $6,803.1 reported for the same period in the prior year. Factors influencing the increase in Adjusted EBITDA include acquired revenue growth of $17,155.9 resulting from the increased contribution to run rates from 2015 and 2016 acquisitions, organic revenue growth of $4,217.7 resulting from the addition of new clients and natural inflationary factors. Other factors include increased salaries, bonuses and commissions of $13,087.7, increased operating costs of $3,070.2, and Retained Economic Interest of Coughlin and BPA representing the vendors' shares of Coughlin Adjusted EBITDA of $1,535.6 and $184.0. These increases were primarily affected by acquired operations of Coughlin and BPA and organic growth of the Company's business.

For the three months ended May 31, 2016, the Company reported Adjusted EBITDA before REI of $4,174.5 which represents a margin equal to 20.6% of revenue, as compared to 20.4% in the prior year. For the nine months ended May 31, 2016, the Company reported Adjusted EBITDA before REI of $12,018.8 which represents a margin equal to 21.9% of revenue, as compared to 20.3% in the prior year. Margin improvements were primarily a result of recent acquisitions.

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 nine months ended	
	May 31, 2016	**May 31, 2015**	**May 31, 2016**	**May 31, 2015**
Adjusted EBITDA	**$ 3,461.4**	**$ 2,142.4**	**$10,299.2**	**$ 6,803.1**
Add:				
Corporate costs	1,094.2	800.7	3,226.7	2,935.4
Operating income before corporate costs	**$ 4,555.6**	**$ 2,943.1**	**$13,525.9**	**$ 9,738.5**

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 May 31, 2016 were $1,094.2 versus $800.7 for the same period in the prior year. The increase of $293.5 is primarily due to an increase in salaries and wages as a result of the investment in leadership positions during the 2015 fiscal year, partially offset by a decrease in professional fees.

Corporate costs for the nine months ended May 31, 2016 were $3,226.7 versus $2,935.4 incurred in the prior comparative period. The increase of $291.3 is primarily due to an increase in salaries and wages as a result of the investment in leadership positions during the 2015 fiscal year, partially offset by a decrease in professional fees.

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 nine months ended			
	May 31, 2016	May 31, 2015	$ Variance	% Variance	May 31, 2016	May 31, 2015	$ Variance	% Variance
	$ 20,248.1	$ 10,487.6	$ 9,760.5	93.1 %	$ 54,899.7	$ 33,526.0	$ 21,373.7	63.8 %

For the three months ended May 31, 2016, the Company experienced revenue growth of $9,760.5 or 93.1%. The Company recognized acquired growth of $7,526.9 (71.8%) representing the increase in revenue resulting from the increased contribution to run rates from 2015 and 2016 acquisitions and organic growth of $2,233.6 (21.3%). 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 nine months ended May 31, 2016, the Company experienced revenue growth of $21,373.7 or 63.8%. The Company recognized acquired growth of $17,155.9 (51.2%) representing the increase in revenue resulting from the increased contribution to run rates from 2015 acquisitions and organic growth of $4,217.8 (12.6%). 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 nine months ended			
	May 31, 2016	May 31, 2015	$ Variance	% Variance	May 31, 2016	May 31, 2015	$ Variance	% Variance
	$ 11,998.2	$ 6,083.6	$ 5,914.6	97.2 %	$ 32,538.8	$ 19,451.1	$ 13,087.7	67.3 %

For the three months May 31, 2016, personnel and compensation costs represent 59.3% of revenues (2015 - 58.0%). 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 May 31, 2016 of $5,914.6 from $6,083.6 to $11,998.2 is primarily attributable to the increased employee count resulting from the acquisition of Coughlin during the 2015 fiscal year and BPA during the 2016 fiscal year. Other factors include the expansion of 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 and expansion of the leadership team.

For the nine months ended May 31, 2016, personnel and compensation costs represent 59.3% of revenues (2015 - 58.0%). The increase in salaries, bonuses and commissions for the nine months ended May 31, 2016 of $13,087.7 from $19,451.1 to $32,538.8 is primarily attributable to the increased employee count resulting from the acquisitions of Coughlin and BPA in the 2015 and 2016 fiscal years. 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 nine months ended			
	May 31, 2016	May 31, 2015	$ Variance	% Variance	May 31, 2016	May 31, 2015	$ Variance	% Variance
	$ 3,152.3	$ 1,756.4	$ 1,395.9	79.5 %	$ 7,261.6	$ 4,841.7	$ 2,419.9	50.0 %

General and administrative expenses have increased by $1,395.9 for the three months ended May 31, 2016 primarily due to incremental costs incurred to support the ongoing growth strategy of the Company, specifically:

- An net increase of $880.8 resulting from a higher general and administrative run-rate due to the Coughlin acquisition in the fourth quarter of last year as well as the BPA acquisition in the current period; and
- An increase of $502.1 in acquisition, integration and reorganization costs driven by the timing of the BPA acquisition.

For the nine months ended May 31, 2016, general and administrative expenses have increased by $2,419.9 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 $1,104.8 primarily comprised of costs related to the acquisition and integration of Coughlin and BPA, other acquisition activity, and reorganizing certain aspects of its organizational structure to position the Company positively for the future; and,
- A net increase of $1,904.2 resulting from a higher general and administrative run-rate due to the Coughlin and BPA acquisitions, offset by a decrease in professional fees resulting from the 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. 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 nine months ended			
	May 31, 2016	May 31, 2015	$ Variance	% Variance	May 31, 2016	May 31, 2015	$ Variance	% Variance
	$ 1,686.3	$ 903.9	$ 782.4	86.6 %	$ 4,966.6	$ 2,570.6	$ 2,396.0	93.2 %

Depreciation and amortization expense increased by $782.4 for the three months ended May 31, 2016 primarily due to significant additions to intangible assets during the 2015 and 2016 fiscal year.

Depreciation expense on property, plant and equipment decreased by $23.2. 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 $759.2 primarily due to additions of customer relationships resulting from the acquisitions of Coughlin and BPA.

For the nine months ended May 31, 2016, depreciation and amortization expense increased by $2,396.0 primarily due to significant additions to intangible assets during the 2015 fiscal year.

Depreciation expense on property, plant and equipment increased by $24.6 due to significant additions 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. The prior year additions occurred predominantly in the second and third quarter of the 2015 fiscal year resulting in a higher cost base for the nine months ended May 31, 2016.

Amortization expense and impairment losses on customer relationships, customer contracts and software increased by $2,371.4 primarily due to additions of customer relationships resulting from the acquisition of Coughlin in the 2015 fiscal year, ongoing investments in software development for the TPA platform and, to a lesser extent, additions of customer relationships through the acquisition of BPA in the current period.

Occupancy Costs

Occupancy costs are as follows:

	for the three months ended				for the nine months ended			
	May 31, 2016	May 31, 2015	$ Variance	% Variance	May 31, 2016	May 31, 2015	$ Variance	% Variance
	$ 1,235.6	$ 500.4	$ 735.2	146.9 %	$ 3,040.2	$ 1,629.4	$ 1,410.8	86.6 %

Occupancy costs increased by $735.2 for the three months ended May 31, 2016 primarily due to incremental lease costs associated with the acquisition of Coughlin during the 2015 fiscal year and BPA during the current period.

Occupancy costs increased by $1,410.8 for the nine months ended May 31, 2016 primarily due to incremental lease costs associated with the acquisition of Coughlin during the 2015 fiscal year, BPA during the current period, and 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 nine months ended			
	May 31, 2016	May 31, 2015	$ Variance	% Variance	May 31, 2016	May 31, 2015	$ Variance	% Variance
	$ 841.7	$ 562.4	$ 279.3	49.7 %	$ 2,278.6	$ 1,597.8	$ 680.8	42.6 %

Administration fees increased by $279.3 for the three months ended May 31, 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 in Group Benefit Solutions from organic and acquired growth.

Administration fees increased by $680.8 for the nine months ended May 31, 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 in Group Benefit Solutions from organic and acquired growth.

Finance Expenses

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

	for the three months ended				for the nine months ended			
	May 31, 2016	May 31, 2015	$ Variance	% Variance	May 31, 2016	May 31, 2015	$ Variance	% Variance
	$ 1,334.3	$ 631.4	$ 702.9	111.3 %	$ 3,697.5	$ 1,888.8	$ 1,808.7	95.8 %

Finance expenses increased by $702.9 for the three months ended May 31, 2016. The change is primarily due to an increase of $457.3 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 and BPA. In addition to the increase in accretion expense, interest and finance costs on long-term debt and other finance costs increased by $245.6 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 and BPA.

Finance expenses increased by $1,808.7 for the nine months ended May 31, 2016. The change is primarily due to an increase of $1,485.1 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. In addition, interest and finance costs on long-term debt and other finance costs increased by $323.6 resulting from an increase in outstanding debt from the draw-down of the Company's acquisition credit facility and increase in term loans relating to the Coughlin and BPA acquisitions.

Public Company Costs

Public Company costs are as follows:

	for the three months ended				for the nine months ended			
	May 31, 2016	May 31, 2015	$ Variance	% Variance	May 31, 2016	May 31, 2015	$ Variance	% Variance
	$ 71.0	$ 83.1	$ (12.1)	(14.6)%	$ 303.1	$ 265.2	$ 37.9	14.3 %

Public company costs have decreased by $12.1 for the three months ended May 31, 2016. The decrease can be attributed to timing differences of certain insurance policy renewals, offset by increased directors' fees.

Public company costs have increased by $37.9 for the nine months ended May 31, 2016. The increase can be attributed to higher TSX-V filing costs due to higher market capitalization and increased directors' fees resulting from an increase in the number of meetings during the year.

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:

	Q3 - 2016	Q2 - 2016	Q1 - 2016	Q4 - 2015	Q3 - 2015	Q2 - 2015	Q1 - 2015	Q4 - 2014
Revenue	$ 20,248.1	$ 18,336.6	$ 16,314.9	$ 15,767.2	$ 10,487.6	$ 11,974.9	$ 11,063.6	$ 10,008.4
Operating & corporate expenses	(16,073.8)	(14,156.7)	(12,650.4)	(13,408.9)	(8,345.1)	(9,513.9)	(8,864.2)	(8,613.6)
Adjusted EBITDA	3,461.4	3,633.2	3,204.6	2,358.3	2,142.5	2,461.0	2,199.4	1,394.8
Finance expenses	(1,334.3)	(1,069.6)	(1,293.6)	240.1	(631.4)	(584.2)	(673.2)	(437.8)
Depreciation and amortization	(1,686.3)	(1,426.2)	(1,854.1)	(1,364.7)	(903.9)	(821.6)	(845.1)	(787.7)
Share-based compensation	(152.6)	(133.3)	(244.8)	(62.4)	(70.2)	(40.3)	(45.7)	(44.7)
Retained Economic Interest	713.0	546.7	459.8	441.3	-	-	-	-
Income tax expense, net	303.0	(806.3)	(207.6)	60.2	(317.6)	(352.6)	(267.3)	(509.1)
Acquisition, integration and reorganization costs	(1,072.6)	(724.7)	(213.4)	(622.3)	(570.5)	(275.3)	(60.0)	(40.6)
Net income	231.6	19.8	(149.1)	1,050.5	(351.1)	387.0	308.1	(425.1)
Total assets	146,358.7	112,809.7	113,105.2	114,597.3	69,808.2	57,440.7	57,838.5	56,109.4
Total loans and borrowings	42,015.7	24,343.9	25,285.0	25,409.6	9,773.5	9,986.8	10,637.0	9,660.4
Total other liabilities	59,518.7	44,062.0	43,645.1	45,108.3	19,748.9	20,495.9	20,689.1	20,427.0
Shareholders' equity	44,824.2	44,403.7	44,175.1	44,079.4	40,285.8	26,958.1	26,512.5	26,021.9
Adjusted EBITDA per share	0.077	0.081	0.082	0.053	0.052	0.062	0.055	0.039
Earnings per share (basic)	0.005	0.000	(0.003)	0.023	(0.009)	0.010	0.008	(0.012)
Earnings per share (diluted)	0.005	0.000	(0.003)	0.023	(0.009)	0.009	0.008	(0.012)

Adjusted EBITDA for the three months ended May 31, 2016 was $3,461.4, representing an increase of $1,319.0 or 61.6%, 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 $7,526.9;
- Organic revenue growth of $2,233.6; offset by,
- Increased salaries, bonuses and commissions of $5,914.6 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 $1,814.0 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 and BPA Adjusted EBITDA was $713.0.

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 third quarter of fiscal 2016 were $1,334.3, representing an increase of $702.9 or 111.3%, 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 both the Coughlin and BPA acquisitions.

Depreciation and amortization for the second quarter of fiscal 2016 was $1,686.3, representing an increase of $782.4 or 86.6%, 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 and BPA representing the vendors' share of Adjusted EBITDA was $713.0.

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 May 31, 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	$ 7,945.4	$ 7,945.4	$ -	$ -	$ -
Operating lease obligations	14,011.7	3,891.8	6,257.4	3,862.4	-
Obligations under finance leases	44.2	10.3	33.9	-	-
Vendor-take-back loans	2,326.9	1,185.8	1,141.1	-	-
Term loans	21,659.6	2,221.5	4,554.1	14,884.0	-
Acquisition line	17,985.0	-	-	-	-
	$ 63,972.8	$ 15,254.8	$ 11,986.5	$ 18,746.4	$ -

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 nine months ended May 31, 2016:

For the three months ended	**May 31, 2016**	**May 31, 2015**	**$ Variance**	**% Variance**
Net income for the period	$ 231.7	$ (351.2)	$ 582.9	(166.0)%
Add non-cash items, net	2,416.8	1,516.3	900.5	59.4 %
Changes in non-cash working capital	1,467.5	(596.4)	2,063.9	(346.1)%
Net cash from (used by) operating activities	4,116.0	568.7	3,547.3	623.8 %
Net cash from (used by) investing activities	(17,796.8)	(606.0)	(17,190.8)	2,836.8 %
Net cash from (used by) financing activities	17,402.3	13,309.8	4,092.5	30.7 %
Net increase in cash	**$ 3,721.5**	**$ 13,272.5**	**$ (9,551.0)**	**(72.0)%**

For the nine months ended	May 31, 2016	May 31, 2015	$ Variance	% Variance
Net income for the period	$ 102.4	$ 343.9	$ (241.5)	(70.2)%
Add non-cash items, net	7,280.0	3,741.1	3,538.9	94.6 %
Changes in non-cash working capital	888.3	(2,430.9)	3,319.2	(136.5)%
Net cash from operating activities	8,270.7	1,654.1	6,616.6	400.0 %
Net cash from (used by) investing activities	(19,264.8)	(1,122.0)	(18,142.8)	1,617.0 %
Net cash from (used by) financing activities	15,889.3	13,736.3	2,153.0	15.7 %
Net increase in cash	**$ 4,895.2**	**$ 14,268.4**	**$ (9,373.2)**	**(65.7)%**

Cash generated from operating activities for the three months ended May 31, 2016 was $4,116.0, an increase of $3,547.3 from the $568.7 of cash used in the same period in the prior year primarily due to incremental increases in revenue and Adjusted EBITDA as well as changes in working capital accounts, including an increase from changes in trade payables and accrued and other liabilities and trade and other receivables, offset by a decrease resulting from the change in deferred revenue and income tax payable. Significant influences of cash inflows and outflows related to operating activities for the three months ended May 31, 2016 versus the same period in the prior year include:

- Increase in cash resulting from changes in working capital accounts of $2,063.9 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, resulting in an increase of $733.0 and $2,434.0, respectively, offset by a $1,103.1 decrease in cash from changes in income taxes receivable of $754.7 and other changes of $348.4
- Increase in Adjusted EBITDA of $1,319.0, 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 May 31, 2016 of $17,796.8 was primarily used to fund the acquisition of BPA as well as 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 generated by financing activities for the three months ended May 31, 2016, was $17,402.3, as compared to cash generated of $13,309.8 in the comparative period of the prior year when the proceeds of the private placement of shares were received. Cash inflows related to proceeds from the issue of a new term loan of $22,215.0 (2015 - 7,000.0), drawdown of the acquisition line of $2,210.0 (2015 - nil) to fund current year acquisitions and proceeds from the exercise of stock options of $36.3 (2015 - $6.5) were partially offset by outflows related to repayment of long-term debt as well as the payment of Coughlin dividends related to the non-controlling interest in Coughlin.

Cash generated from operating activities for the nine months ended May 31, 2016 was $8,270.7, an increase of $6,616.6 or 400.0% from the $1,654.1 of cash generated in the same period in the prior year. Significant influences of cash inflows and outflows related to operating activities for the nine months ended May 31, 2016 versus the same period in the prior year include:

- Increase in cash resulting from changes in working capital accounts of $3,319.2 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 of 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 $2,631.3, an increase in cash from a change in trade payables, accrued and other liabilities of $1,684.0, and a partially offsetting change in deferred revenue resulting in a decrease of $996.1 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. The remaining increase of $61.8 is a result of net changes in other non-cash working capital items.
- Increase in Adjusted EBITDA of $3,496.1, 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 nine months of the year.

Working Capital

The Company's working capital (defined as current assets less current liabilities) at May 31, 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.

		May 31, 2016		Aug 31, 2015
Current assets	$	21,555.2	$	15,203.4
Less:				
Current liabilities		15,410.4		12,387.0
Working capital		6,144.8		2,816.4
Add back:				
Current portion of deferred revenue		4,047.4		4,951.7
Operating working capital	**$**	**10,192.2**	**$**	**7,768.1**

Operating Working Capital has increased by $2,424.1 to a surplus of $10,192.2 compared to the Operating Working Capital surplus of $7,768.1 at August 31, 2015. The change in Operating Working Capital is due to an increase in cash, trade payables, accrued and other liabilities and the current portion of loans and borrowings and a decrease in trade and other receivables. These changes are primarily the result of operating activities and Adjusted EBITDA contributions from 2015 and 2016 acquisitions. The increase related to the current portion of loans and borrowings can be attributed to increased quarterly principal repayments resulting from expansion of the credit facility, offset in part by repayments 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 May 31, 2016, the Company had not utilized this facility.

Credit Facilities

The Company is a party to an agreement with its senior lender, Canadian Imperial Bank of Commerce ("CIBC"), as lead lender of a syndicated loan facility, which included the following components:

- Operating Revolver totalling $5,000.0 to fund operating cash flow needs;
- Term Loan totaling $22,215.0 used to refinance the outstanding balance of the acquisition facility under the previous credit agreement and fund acquisitions; and,
- Acquisition Revolver totalling $34,000.0 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 $49,000.0 and overall credit capacity of up to $76,215.0.

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 $555.4 per quarter for the first two and a half years and $666.5 per quarter thereafter, 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 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 replaced the Company's previously existing credit facility originally entered into in 2011 and subsequently amended.

At May 31, 2016, the Company had a balance of $21,659.6 outstanding on the Term Loan, $17,985.0 outstanding on the Acquisition Revolver and was compliant with all financial covenants.

At May 31, 2016, the Company had unutilized and available credit of $21,015.0, including $5,000.0 on the Operating Revolver and $16,015.0 to fund acquisitions on the Acquisition Revolver.

Share Capital

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

	May 31, 2016	Aug 31, 2015
Common shares issued and outstanding	45,200,050	44,958,383
Stock options outstanding	1,523,223	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.