



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

August 28, 2018

**Response of the Office of Mergers and Acquisitions
Division of Corporation Finance**

Andrew J. Beck, Esq. and Mile T. Kurta, Esq.
Torys LLP
abeck@torys.com and mkurta@torys.com

**Re: Thomson Reuters Corporation
Request for Relief under Exchange Act Rule 13e-4(g) and General
Instruction III of Schedule 13E-4F Relating to a Modified Dutch Auction
Issuer Tender Offer**

Dear Messrs. Beck and Kurta:

We are responding to your letter dated August 28, 2018, addressed to Ted Yu and Perry J. Hindin, as supplemented by telephone conversations with the staff, with regard to your request that the Commission determine whether the Company may proceed with its proposed tender offer in the United States pursuant to the Commission's Multijurisdictional Disclosure System with Canada. Specifically, you request relief to permit the Offer to be conducted in reliance on Exchange Act Rule 13e-4(g) where the Company has received exemptions from applicable Canadian statutory requirements. To avoid having to recite or summarize the facts set forth in your letter, we attach a copy of your letter. Unless otherwise noted, capitalized terms in this response letter have the same meanings as in your letter dated August 28, 2018.

On the basis of your representations and the facts presented in your letter, particularly that the Offer otherwise will be made in compliance with and subject to applicable Canadian statutory requirements, the Division of Corporation Finance, acting for the Commission pursuant to delegated authority, hereby makes the determination required under Rule 13e-4(g) so that the Company can proceed with the Offer in the United States, as described in your letter, without compliance with the provisions of Section 13(e)(1) of the Exchange Act and Rule 13e-4 and Scheduled TO thereunder.

The foregoing determination is based solely on the representations and the facts presented in your letter dated August 28, 2018 and does not represent a legal conclusion with respect to the applicability of the statutory or regulatory provisions of the federal securities laws. The relief is strictly limited to the application of the rules listed above to this transaction. You should discontinue the transaction pending further consultations with the staff if any of the facts or representations set forth in your letter change. In addition, this position is subject to modification or revocation if at any time the Commission or the Division of Corporation Finance

Andrew J. Beck, Esq. and Mile T. Kurta, Esq.
Torys LLP
August 28, 2018
Page 2

determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act.

We also direct your attention to the anti-fraud and anti-manipulation provisions of the federal securities laws. Responsibility for compliance with these and any other applicable provisions of the federal securities laws rests with the participants in this transaction. The Division of Corporation Finance expresses no view with respect to any other questions that this transaction may raise, including, but not limited to, the adequacy of the disclosure concerning, and the applicability of any other federal or state laws to, this transaction.

Sincerely,

/s/ Ted Yu

Ted Yu
Chief, Office of Mergers & Acquisitions
Division of Corporation Finance

**UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION**

August 28, 2018

In the Matter of a Tender Offer for Shares of
Thomson Reuters Corporation

ORDER REGARDING EXCHANGE ACT RULE
13E-4(G) DETERMINATION

Thomson Reuters Corporation submitted a letter dated August 28, 2018 requesting that the Securities and Exchange Commission (“Commission”) determine that, pursuant to Exchange Act Rule 13e-4(g), the application of the provisions of Section 13(e)(1) of the Exchange Act and Rule 13e-4 and Schedule TO thereunder to the transaction described in its letter (“Request”) is not necessary.

Based on the representations and the facts presented in the Request, and subject to the terms and conditions described in the letter from the Division of Corporation Finance dated August 28, 2018, it is ORDERED that the determination required by Rule 13e-4(g) is hereby made.

For the Commission, by the Division of Corporation Finance, pursuant to delegated authority.

Brent J. Fields
Secretary

Action as set forth or recommended herein APPROVED
pursuant to authority delegated by the Commission under
Public Law 87-592.

For: Division of Corporation Finance

By: /s/ Ted Yu

Date: August 28, 2018

August 28, 2018

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Mergers and Acquisitions
100 F Street, N.E.
Washington, D.C. 20549-3628

Attn: Ted Yu, Chief, Office of Mergers and Acquisitions
Perry J. Hindin, Special Counsel

**Re: Thomson Reuters Corporation
Request for Relief under Rule 13e-4(g) and General Instruction III of
Schedule 13E-4F Relating to a Modified Dutch Auction Tender Offer**

Dear Messrs. Yu and Hindin:

Thomson Reuters Corporation, a corporation governed by the *Business Corporations Act* (Ontario) (the “**Company**”), is considering effecting an issuer tender offer (the “**Offer**”) to all holders of its outstanding common shares (the “**Shares**”). The Offer will be to purchase, for cash, up to a specified maximum aggregate dollar amount (the “**Specified Maximum Dollar Amount**”) of Shares at a price per Share which will be not less than a specified minimum dollar amount per Share (the “**Specified Minimum Price**”) and not more than a specified maximum dollar amount per Share (the “**Specified Maximum Price**”). The Specified Maximum Dollar Amount, the Specified Minimum Price and the Specified Maximum Price will each be determined prior to commencement of the Offer and disclosed prominently in the documentation for the Offer. The combination of the Specified Maximum Dollar Amount, the Specified Minimum Price and the Specified Maximum Price will have the effect of establishing the maximum and minimum number of Shares that the Company would be committed to purchase under the Offer, subject to the satisfaction or waiver of the conditions to the Offer.

The Offer will be conducted pursuant to Canadian statutory requirements, except that the Company has received exemptive relief from the Ontario Securities Commission to exempt the Offer from the Canadian (i) proportionate take-up and associated disclosure requirements and (ii) extension take-up requirements, in each case as more fully discussed herein.

We are writing to request relief from the U.S. Securities and Exchange Commission (the “**Commission**”) in order that the Offer may proceed in the United States under the Canada/U.S.

Multijurisdictional Disclosure System (the “**MJDS**”) and pursuant to Rule 13e-4(g) under the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

Background

The Company is a leading source of news and information for professional markets. On January 30, 2018, the Company signed a definitive agreement to enter into a strategic partnership with private equity funds managed by Blackstone. As part of the transaction, the Company will sell a 55% majority stake in its Financial & Risk business and will retain a 45% interest in the business (the “**F&R Transaction**”). The F&R Transaction is expected to close early in the fourth quarter of 2018 and the Company expects to receive gross proceeds of approximately US\$17.0 billion. The Company intends to utilize a portion of the cash proceeds from the F&R Transaction for the Offer, which the Company expects to commence and mail the offering circular on August 28, 2018. Under applicable Canadian rules, the Offer must be held open for at least 35 calendar days from the mailing date of the offering circular for the Offer, which would mean that the Offer would be held open until at least October 2, 2018, and may be extended thereafter as permitted under Canadian law. The Offer will be conditional on the closing of the F&R Transaction having occurred and will be subject to other customary conditions.

The authorized capital of the Company consists of an unlimited number of Shares, an unlimited number of preference shares and one Thomson Reuters Founders Share. Only the Shares will be subject to the Offer. As of August 7, 2018, there were approximately 700.1 million Shares issued and outstanding. The principal shareholder of the Company, The Woodbridge Company Limited, together with other companies affiliated with it (collectively, “**Woodbridge**”), currently holds approximately 451 million Shares or approximately 64% of the outstanding Shares. The balance of the Shares is held by the public.

The Shares are registered under Section 12(b) of the Exchange Act and are listed on the Toronto Stock Exchange (“**TSX**”) and on the New York Stock Exchange (“**NYSE**”).

The single largest market for the Shares is the TSX, where approximately 178 million Shares traded during 2017 as compared to approximately 100 million Shares traded during the same period on the NYSE. On July 31, 2018, the closing price of the Shares on the TSX was C\$53.98, and on the NYSE was US\$41.40. On the basis of these closing prices, the Shares had an aggregate market value of approximately C\$37.8 billion and US\$29.0 billion, respectively.

The Offer

Structure

The Company proposes to make the Offer on terms to be more fully described in an Offer to Purchase and Circular (the “**Offer to Purchase**”), Letter of Transmittal and Notice of Guaranteed Delivery (together, the “**Offer Documents**”) to be sent to all holders of Shares (the “**Shareholders**”).

A Shareholder wishing to tender its Shares to the Offer will be able to do so in one of three ways: (i) by making an auction tender at a specified price per Share (the “**Auction Price**”) within the range proposed by the Company¹ (i.e. a modified “Dutch auction” procedure) and for a specified number of Shares (an “**Auction Tender**”); (ii) by making a purchase price tender pursuant to which it agrees to tender a number of Shares to the Company at the Purchase Price (as defined below) (a “**Purchase Price Tender**”); or (iii) by making a proportionate tender pursuant to which the Shareholder agrees to the purchase by the Company of a number of Shares owned by it that will result in the Shareholder maintaining its proportionate equity ownership in the Company following completion of the Offer at the Purchase Price (a “**Proportionate Tender**”). Woodbridge has indicated to the Company that it intends to participate in the Offer by making a Proportionate Tender.

An Auction Tender allows a Shareholder to specify the price, being not less than the Specified Minimum Price or greater than the Specified Maximum Price, at which the Shareholder is willing to have its Shares purchased by the Company. Under a Purchase Price Tender, a Shareholder does not specify a price, but rather the Shareholder’s Shares will be deemed to have been tendered at the Specified Minimum Price, and such Shares will be purchased at the Purchase Price determined as described below. Under a Proportionate Tender, a Shareholder also does not specify a price, and such Shares will be deemed to have been tendered, and will be purchased, at the Purchase Price, which will be determined only by Auction Tenders and Purchase Price Tenders.² All Shares purchased in the Offer, whether pursuant to Auction Tenders (including Shares tendered at or below the Purchase Price), Purchase Price Tenders, or Proportionate Tenders, will be purchased at the same Purchase Price.

Shareholders may deposit some of their Shares pursuant to an Auction Tender and deposit different Shares pursuant to a Purchase Price Tender. Shareholders who make an Auction Tender and/or a Purchase Price Tender cannot make a Proportionate Tender³, or vice versa.⁴

¹ Although the Company will determine the price range prior to commencement of the Offer, it is currently assumed to be US\$40 to US\$45 per Share (based on the approximate current market price of the Shares).

² As discussed below under “The Interest of Investors is Adequately Protected”, the availability of the Proportionate Tender option may benefit other Shareholders by resulting in a higher Purchase Price. That is because Proportionate Tenders do not affect the determination of the Purchase Price and Shareholders who elect that option are more concerned with maintaining their ownership percentage than with the Purchase Price that they receive (provided that they receive at least the Specified Minimum Price). If the Proportionate Tender option were not available, these Shareholders might tender their shares at the Specified Minimum Price or in a Purchase Price Tender, which would result in a lower Purchase Price.

³ This is because a Shareholder that makes a Proportionate Tender will not be permitted to also make an Auction Tender or Purchase Price Tender.

⁴ Shareholders will also have the option to structure their tender of Shares pursuant to the Offer (whether such tender is an Auction Tender, a Purchase Price Tender or a Proportionate Tender) as a “Qualifying Holdco Alternative” by electing to complete certain corporate reorganization steps with the Company and then tendering Shares subject to such reorganization (rather than tendering directly to the Company). Any Shares tendered using the Qualifying Holdco Alternative will also be purchased at the Purchase Price. Participation in a Qualifying Holdco Alternative will not have adverse consequences or benefits to the Company and other

Shareholders may not deposit the same Shares pursuant to more than one method of tender or pursuant to an Auction Tender at more than one price. Subject to the limitations described in this paragraph, all Shareholders will be able to make a Proportionate Tender.

The Offer Documents will set forth (i) the Specified Maximum Dollar Amount that the Company may spend under the Offer⁵, (ii) the Specified Minimum Price, (iii) the maximum number of Shares that may be purchased under the Offer (calculated as the quotient of the Specified Maximum Dollar Amount divided by the Specified Minimum Price), (iv) the Specified Maximum Price and (v) the minimum number of Shares that may be purchased under the Offer, assuming that the Offer is fully subscribed (calculated as the quotient of the Specified Maximum Dollar Amount divided by the Specified Maximum Price).

It is expected that the Purchase Price will be denominated in U.S. dollars and the payment of amounts owing to Shareholders whose Shares are taken up under the Offer will be made in U.S. dollars. However, Shareholders may elect to receive the Purchase Price in Canadian dollars. The exchange rate that will be used to convert payments from U.S. dollars into Canadian dollars will be the rate available from the depositary and foreign exchange service provider under the Offer, on the date on which the funds are converted, which rate will be based on the prevailing market rate on such date.

Purchase Price and Proration

The Company will determine the Purchase Price payable per Share (the “**Purchase Price**”) based on the Auction Prices and the number of Shares specified in valid Auction Tenders and Purchase Price Tenders (considered for purposes of determining the Purchase Price to have been tendered at the Specified Minimum Price). The Purchase Price will be the lowest price that enables the Company to purchase that number of Shares tendered pursuant to valid Auction Tenders and Purchase Price Tenders having an aggregate purchase price not to exceed the “**Auction Tender Limit Amount**”, which is the aggregate purchase price of Shares tendered pursuant to Auction Tenders and Purchase Price Tenders that the Company must take up in order that, on consummation of the Offer, each Shareholder tendering Shares pursuant to Proportionate Tenders will maintain its same proportionate interest in the Company following completion of the Offer. The Auction Tender Limit Amount will be equal to (i) the Specified Maximum Dollar Amount less (ii) the product of (A) the Specified Maximum Dollar Amount and (B) a fraction, the numerator of which is the aggregate number of Shares owned by Shareholders making valid Proportionate Tenders, and the denominator of which is the aggregate number of Shares outstanding at the time of expiry of the Offer. Any Shareholder who owns fewer than 100 Shares and tenders all of such Shareholder’s Shares pursuant to an Auction Tender at or below the

Shareholders, but would assist electing Shareholders in achieving certain Canadian tax objectives in connection with the Offer and would be completed in accordance with applicable tax laws.

⁵ Although the Company will determine the exact Specified Maximum Dollar Amount prior to commencement of the Offer, it is currently expected to be approximately US\$9 billion.

Purchase Price or pursuant to a Purchase Price Tender (each, an “**Odd Lot Holder**”) will be considered to have made an “**Odd Lot Tender**”.

With respect to the proration of Shareholders making Auction Tenders or Purchase Price Tenders:

- If the aggregate purchase price for Shares validly tendered pursuant to Auction Tenders (at prices at or below the Purchase Price) and Purchase Price Tenders (such aggregate amount, the “**Aggregate Tender Purchase Amount**”) is less than or equal to the Auction Tender Limit Amount, the Company will purchase at the Purchase Price all Shares so tendered pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders. See “Scenario A (Undersubscribed or Fully Subscribed with Proportionate Tender Option)” in Exhibit A for numerical examples depicting these scenarios.
- If the Aggregate Tender Purchase Amount is greater than the Auction Tender Limit Amount, the Company will purchase a portion of the Shares so tendered pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders, determined as follows: (i) first, the Company will purchase all such Shares tendered by Shareholders pursuant to Odd Lot Tenders; and (ii) second, the Company will purchase on a pro-rata basis solely within that portion of Shares tendered pursuant to Auction Tenders and Purchase Price Tenders (i.e., not including Proportionate Tenders, which are taken up in a separate proration pool as described below) having an aggregate purchase price, based on the Purchase Price, equal to (A) the Auction Tender Limit Amount, less (B) the aggregate amount paid by the Company for Shares tendered pursuant to Odd Lot Tenders, in each of the cases set forth in clauses (i) and (ii) of this paragraph, at the Purchase Price.⁶ See “Scenario B (Oversubscribed with Proportionate Tender Option)” in Exhibit A for a numerical example depicting this scenario.

By contrast, Shareholders making Proportionate Tenders are prorated in a separate proration pool, in which the Company will purchase at the Purchase Price that portion of the Shares owned by such Shareholders that results in such tendering Shareholders maintaining their proportionate equity ownership in the Company following completion of the Offer.

As a result, the Offer, in effect, consists of two separate proration pools, one for Auction Tenders and Purchase Price Tenders, and the other for Proportionate Tenders. The first proration pool of Auction Tenders and Purchase Price Tenders is prorated based on the total number of

⁶ Similar to the pro rata calculation described in Rule 13e-4(f)(3) and corresponding Canadian rules, the proration percentage for each individual Shareholder within the Auction Tender/Purchase Price Tender pool will be calculated as (1) the number of Shares such Shareholder has tendered at or below the Purchase Price, divided by (2) the total number of Shares tendered pursuant to Auction Tenders (at prices at or below the Purchase Price) and Purchase Price Tenders (i.e., the Aggregate Tender Purchase Amount). Shares that are tendered above the Purchase Price will not be taken into account and therefore excluded from the proration calculation.

Shares tendered by the Shareholders that tender in Purchase Price Tenders or Auction Tenders at or below the Purchase Price, while the second proration pool of Proportionate Tenders is prorated based on the number of Shares necessary for such Shareholders to maintain their existing ownership percentages, as described above.⁷

The number of Shares that the Company will purchase pursuant to the Offer and the aggregate purchase price will vary depending on whether the Aggregate Tender Purchase Amount is equal to or less than the Auction Tender Limit Amount. If the Aggregate Tender Purchase Amount is equal to or less than the Auction Tender Limit Amount, the Company will purchase Shares pursuant to the Offer for an aggregate purchase price equal to the Specified Maximum Dollar Amount; if the Aggregate Tender Purchase Amount is less than the Auction Tender Limit Amount, the Company will purchase proportionately fewer Shares in the aggregate, with a proportionately lower aggregate purchase price.

Shares Returned to Shareholders

All Shares tendered to the Offer and not taken up will be returned to the appropriate Shareholders.

Hypothetical Scenarios

To illustrate the effect of the terms of the Offer where the Proportionate Tender option is available to Shareholders, we have considered the following hypothetical scenarios: (i) fewer than the Auction Tender Limit Amount of Shares is tendered pursuant to the Auction Tenders (“**undersubscribed**”), (ii) exactly the Auction Tender Limit Amount of Shares is tendered pursuant to Auction Tenders (“**fully subscribed**”), and (iii) more than the Auction Tender Limit Amount of Shares is tendered pursuant to Auction Tenders (“**oversubscribed**”). In addition, we have also considered hypothetical scenarios in the oversubscribed setting where a Proportionate Tender option is not available to Shareholders.

A. Offer is Fully Subscribed or Undersubscribed.

If the Offer is fully subscribed or undersubscribed, all Shares tendered pursuant to Auction Tenders and Purchase Price Tenders will be taken up and paid for by the Company without proration. The Purchase Price will necessarily be the single highest price, at or below the Specified Maximum Price, specified by Shareholders tendering pursuant to Auction Tenders or, in the unlikely event of there being only Purchase Price Tenders, the Specified Minimum Price.

⁷ The provision of two separate proration pools is different from the proration contemplated by Rule 13e-4(f)(3) and corresponding Canadian rules (which requires that Shares be taken up and paid for according to the number of Shares tendered by each Shareholder). See “Issues Presented” below for a discussion of the applicable rules and the relief sought. Although all Shares tendered at or below the Purchase Price in a given pool are prorated at the same aggregate rate within that pool (subject, in the case of Auction Tenders and Purchase Price Tenders, to the special treatment of Odd Lot Tenders), the proration factors of the two pools are unlikely to be the same.

See “Scenario A (Undersubscribed or Fully Subscribed with Proportionate Tender Option)” in Exhibit A.⁸

B. Offer Oversubscribed.

If the Offer is oversubscribed, the aggregate purchase price of the Shares tendered pursuant to Proportionate Tenders taken up at the Purchase Price would be equivalent to the product of (A) the Specified Maximum Dollar Amount and (B) a fraction, the numerator of which is the aggregate number of Shares owned by Shareholders making valid Proportionate Tenders, and the denominator of which is the aggregate number of Shares outstanding at the time of expiration of the Offer. The Specified Maximum Dollar Amount minus such amount will then leave a fixed aggregate dollar amount of Shares, referred to above as the “Auction Tender Limit Amount”.

Shares tendered pursuant to Auction Tenders and Purchase Price Tenders will be taken up at the lowest Purchase Price which would allow the Company to take up the Auction Tender Limit Amount. Shares tendered at prices higher than this Purchase Price would not be taken up in the Offer. Shares tendered pursuant to Auction Tenders (at prices at or below this Purchase Price) or pursuant to Purchase Price Tenders would be taken up by the Company at the Purchase Price as follows: (i) first, the Company will purchase all Shares tendered by Shareholders pursuant to Odd Lot Tenders; and (ii) second, the Company will purchase on a pro-rata basis that portion of Shares tendered pursuant to Auction Tenders and Purchase Price Tenders having an aggregate dollar amount (based on the Purchase Price), equal to (A) the Auction Tender Limit Amount (already allocated to Proportionate Tenders as described above), less (B) the aggregate amount paid by the Company for Shares tendered pursuant to Odd Lot Tenders.⁹ See “Scenario B (Oversubscribed with Proportionate Tender Option)” in Exhibit A for a numerical example depicting this scenario.

C. Offer Oversubscribed Where Proportionate Tender Option Not Available.

If the Proportionate Tender option were not available, then tendering Shareholders (including Woodbridge) only would be able to make Auction Tenders or Purchase Price Tenders. Shares tendered (other than Odd Lots) pursuant to Auction Tenders at or below the Purchase

⁸ This analysis assumes that at least one Share will be tendered pursuant to an Auction Tender or a Purchase Price Tender. If no Shares are tendered pursuant to Auction Tenders or Purchase Price Tenders, no Shares will be taken up in the Offer, and any Shares tendered by Shareholders pursuant to Proportionate Tenders would be returned to such Shareholders. This is due to the fact that the Purchase Price payable per Share will be based on the Auction Prices and the number of Shares specified in valid Auction Tenders and the Purchase Price Tenders (considered for purposes of determining the Purchase Price to have been tendered at the Specified Minimum Price). Therefore, if there are no Auction Tenders or Purchase Price Tenders, the Purchase Price will not be established, in which case no Shares tendered pursuant to Proportionate Tenders or the Offer generally will be taken up.

⁹ As discussed in note 6 above, proration will be calculated similar to the pro rata calculation described in Rule 13e-4(f)(3) and corresponding Canadian rules.

Price and Shares deposited pursuant to Purchase Price Tenders would be purchased on a pro rata basis according to the number of such Shares so deposited such that the Purchase Price for the Shares will be the lowest price at or above the Specified Minimum Price, but not exceeding the Specified Maximum Price, that would enable the Company to purchase the maximum number of deposited Shares having an aggregate purchase price not exceeding the Specified Maximum Dollar Amount. Given that the Specified Maximum Dollar Amount is fixed, the actual number of Shares purchased in an oversubscribed Offer would vary inversely with the Purchase Price. If the Purchase Price is the Specified Minimum Price, the actual number of Shares taken up in the Offer would equal the maximum number of Shares that would be disclosed in the Offer to Purchase. If the Purchase Price exceeds the Specified Minimum Price, the number of Shares purchased would be less than such maximum number of Shares.

If a Proportionate Tender option was available, the aggregate number of Shares tendered pursuant to Proportionate Tenders would effectively create a ceiling (i.e., the Auction Tender Limit Amount) on the aggregate number of Shares that could be taken up pursuant to Auction Tenders and Purchase Price Tenders in the aggregate since sufficient Shares would always be taken up from Shareholders tendering pursuant to Proportionate Tenders so that such Shareholders maintain their percentage interest in the Company.

Shareholders tendering via Auction Tenders and Purchase Price Tenders will be prorated according to the number of Shares tendered by such Shareholders that have tendered in Purchase Price Tenders or Auction Tenders at or below the Purchase Price; however, due to the ceiling described above, the net effect of the Proportionate Tender option would be that Shareholders tendering via Auction Tenders and Purchase Price Tenders in the aggregate would likely be prorated at a different rate when compared to the proration of Shareholders tendering via Proportionate Tenders. With a Proportionate Tender option, there will be two proration pools: (1) Shareholders that tender via Auction Tenders and Purchase Price Tenders will be prorated within one proration pool set by the Auction Tender Limit Amount (with the proration percentage in the aggregate determined by dividing the Auction Tender Limit Amount by the Aggregate Tender Purchase Amount)¹⁰, and (2) Shareholders tendering via Proportionate Tenders being prorated in a second proration pool based solely on maintaining their percentage interest; by contrast, without a Proportionate Tender option, all Shares that are accepted for payment would be prorated in a single proration pool according to the total number of Shares tendered and accepted for payment.¹¹

See “Scenario C (Oversubscribed Where Proportionate Tender Option Not Available)” in Exhibit A for numerical examples depicting this scenario.

¹⁰ See notes 6 and 9 above.

¹¹ While it is always the case in an oversubscribed partial tender offer that the more shares that tender will reduce the number of shares accepted for payment from any one particular shareholder, Woodbridge, given the size of its Share ownership, can have a significant influence on the pricing and which Shares are taken-up, the effects of which would be mitigated using a Proportionate Tender option. “Issues Presented—The Interest of Investors is Adequately Protected”.

Offer Documents

The Company will file a Schedule 13E-4F with the Commission at the commencement of the Offer, including the Offer to Purchase, Letter of Transmittal and Notice of Guaranteed Delivery, which will be disseminated to Shareholders, and all other required documents. The Offer to Purchase will include disclosure regarding the terms of the Offer required by applicable Canadian securities laws. In particular, the Offer to Purchase will set forth the Specified Maximum Dollar Amount, the Specified Minimum Price, the Specified Maximum Price, the maximum number of shares that could be purchased under the Offer at the Specified Minimum Price and the minimum number of Shares that could be purchased under the Offer at the Specified Maximum Price, in each case assuming that the Offer is fully subscribed.

In addition, the Offer to Purchase will disclose the following additional information:

- the mechanics for take-up of and payment for, or return of, Shares as described herein and in the OSC Exemptive Relief Order (as defined below);
- that, by tendering Shares at the Specified Minimum Price under an Auction Tender or by tendering Shares under a Purchase Price Tender or a Proportionate Tender, a Shareholder can reasonably expect that the Shares so tendered will be purchased at the Purchase Price, subject to proration and other terms of the Offer as specified herein;¹²
- that the Company has obtained an exemption from the Canadian proportionate take-up and disclosure requirements and the extension take-up requirement;
- that Woodbridge has advised the Company prior to commencement of the Offer that it intends to make a Proportionate Tender; and
- except to the extent Canadian exemptive relief has been granted, the disclosure prescribed by applicable Canadian securities laws for issuer tender offers.

Rule 13e-3 Considerations

The Company does not intend for the Offer to have, and does not believe that the Offer is a part of, or is in furtherance of a series of transactions that, taken together, will have a reasonable likelihood or purpose of producing, directly or indirectly, a Rule 13e-3 effect, as defined in Rule 13e-3(a)(3) under the Exchange Act.

¹² The Offer to Purchase will provide disclosure on the mechanics of the proration so that Shareholders (including U.S. Shareholders) that may be unfamiliar with the Proportionate Tender concept understand the proration impact that Proportionate Tenders will have on Shareholders tendering pursuant to Auction Tenders and Purchase Price Tenders.

As of August 7, 2018, the Company had approximately 700.1 million Shares outstanding. Assuming a Specified Maximum Dollar Amount of US\$9 billion and a Specified Minimum Price of US\$40 per Share, the maximum number of Shares that could be purchased in the Offer would be approximately 225 million Shares, or approximately 32% of the total number of outstanding Shares. Assuming the requested relief is granted and Woodbridge makes a Proportionate Tender and the maximum number of Shares are taken up in the Offer, the public float of Shares (i.e., those not held by Woodbridge) after giving effect to the Offer would be approximately 169 million Shares, with Woodbridge's ownership being reduced to approximately 306 million Shares.

It should be noted that the Company also has in place a normal course issuer bid (the "NCIB") that commenced on May 30, 2018 (and has generally had an NCIB in place since 2005). An NCIB is an open-market repurchase program approved by the TSX that permits the Company to repurchase up to 5% of the Company's total outstanding Shares over a 12 month period. During the last 12 months, the Company purchased and cancelled approximately 18.3 million Shares pursuant to its NCIB. Effective August 16, 2018, the Company has suspended its NCIB until after the final expiration date of the Offer or the date of the termination of the Offer. Consistent with its historical practice, the Company plans to have an NCIB in place after the completion of Offer.¹³

As of August 7, 2018, the number of record holders of the Company's Shares on a worldwide basis was in excess of 6,200, and the number of record holders of the Company's Shares with a U.S. address was in excess of 2,300 (calculated in each case in accordance with Rule 12g5-1 of the Exchange Act). These numbers are well above the 300 record holders limitation that could cause the Shares to become eligible for deregistration under the Exchange Act or that would cause the Company's reporting obligations with respect to the Shares to become eligible for termination or suspension as contemplated by Rule 13e-3(a)(3)(ii)(A). While the Offer and the NCIB can be expected to result in a decrease of the number of holders of record, the Company expects the number of holders of record to remain well above 300 persons. In addition, during the 12 months ended August 14, 2018, the average daily trading volume of the Shares on the NYSE was approximately 12% of the world-wide trading volume. The Company does not believe that the Offer or the NCIB (individually or in the aggregate) would reduce that percentage to 5% or less (the threshold for deregistration under Rule 12h-6(a)(4)(i)).

¹³ Under Section 2.5 of Canadian National Instrument 62-104 Take-Over Bids and Issuer Bids ("NI 62-104"), share repurchases are not permitted within 20 business days of the expiration of a substantial issuer bid; however, repurchases pursuant to an NCIB are permitted under an exception to those rules provided in Section 2.6 of NI 62-104. As noted above, NCIBs are regulated repurchase programs that require stock exchange approval, and are conducted in a manner to provide investor protections similar to those contemplated by Rule 10b-18 under the Exchange Act. NCIBs provide a comprehensive framework to regulate repurchases to ensure that they do not abnormally influence the market, and unlike Rule 10b-18, which only provides a "safe harbor", an NCIB provides mandatory rules for share repurchases. Any share repurchases made by the Company under its NCIB following expiration of the Offer will be in compliance with the applicable conditions for the exception provided in Section 2.6 of NI 62-104 and applicable TSX NCIB rules.

In addition, the Offer is not reasonably likely to and is not intended to cause the Shares to be delisted from the NYSE. Section 802.01 of the NYSE Listed Company Manual indicates that the NYSE would consider delisting procedures when: (a) the number of total stockholders is fewer than 400 or (b) (i) the number of total stockholders is fewer than 1,200 and (ii) the average monthly trading volume is fewer than 100,000 shares (for the most recent 12 months) or (c) the number of publicly-held shares, excluding shares held by directors, officers or their immediate families and other concentrated holdings of 10% or more, is fewer than 600,000. Here, the number of total Shareholders and number of publicly held Shares after giving effect to the Offer and the NCIB will likely far exceed the thresholds described above.

Finally, as an additional safeguard against the occurrence of an effect under Rule 13e-3(a)(3)(ii), the Company has made it a condition to the Offer that the consummation of the Offer and the purchase of the Shares will not be reasonably likely to (i) cause the Shares to be delisted from the NYSE or be eligible for deregistration under the Exchange Act or (ii) constitute a “Rule 13e-3 transaction”. Under the terms of the Offer, these conditions cannot be waived, and the Company has no intention of seeking delisting or deregistration of the Shares from the NYSE (or the TSX) in the future.

As will be disclosed in the Circular, the purpose of the Offer is to return the proceeds of the F&R Transaction to the Company’s Shareholders and not to effect, or be the first step in effecting, a Rule 13e-3 transaction. The Company therefore does not believe that the Offer (whether alone or taken together with the Company’s NCIB) would have a reasonable likelihood or a purpose of producing a Rule 13e-3 transaction.

Issues Presented

Rule 13e-4(g)

Rule 13e-4(g) permits a tender offer by a Canadian issuer for a class of its own securities to proceed in the United States in accordance with all relevant Canadian federal, provincial and territorial rules and regulations. The rule provides that, for cash offers, if a Schedule 13E-4F is filed with the Commission, the requirements of Section 13(e)(1) of the Exchange Act and Rule 13e-4 and Schedule TO thereunder will be deemed satisfied with respect to any issuer tender offer where the issuer is incorporated or organized under the laws of Canada (or any Canadian province or territory), is a foreign private issuer and is not an investment company registered or required to be registered under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), if less than 40% percent of the class of securities that is the subject of the tender offer is held by U.S. holders (collectively, the “**status requirements**”) and the tender offer is subject to, and the issuer complies with, the laws, regulations and policies of Canada and/or any of its provinces or territories governing the conduct of the offer (unless the issuer has received an exemption(s) from, and the issuer tender offer does not comply with, requirements that otherwise would be prescribed by Rule 13e-4).

The note to Rule 13e-4(g) provides that notwithstanding a grant of an exemption from one or more of the applicable Canadian regulatory provisions imposing requirements that

otherwise would be prescribed by such section, an issuer tender offer will be eligible to proceed in accordance with the requirements of Rule 13e-4(g) if the Commission by order determines that the applicable Canadian regulatory provisions are adequate to protect the interests of investors.

MJDS Eligibility

The Company meets all of the following MJDS status requirements that would be required to use Schedule 13E-4F:

- The Company is organized under the laws of the Province of Ontario, Canada;
- The Offer involves a cash tender offer by the Company for the Company's Shares;
- As of July 31, 2018¹⁴, the Company believes that approximately 10.4% of the outstanding Shares were held by U.S. holders determined as provided in the MJDS¹⁵;
- The Company is a "foreign private issuer", as such term is defined in Rule 405 of Regulation C under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"); and
- The Company is not an investment company registered or required to be registered under the Investment Company Act.

Implication of Exemptive Relief in Canada

On August 22, 2018, the Company obtained exemptive relief from the Ontario Securities Commission that exempts the Company from the following Canadian regulatory requirements with respect to the Offer:

- the requirements for Canadian proportionate take-up and associated disclosure requirements; and
- the extension take-up requirements.

¹⁴ In accordance with Adopting Release 34-29354 (June 21, 1991) (the "**MJDS Adopting Release**"), the operative date for calculating U.S. ownership for purposes of determining eligibility for MJDS is the end of the Company's last quarter or, if such quarter terminated within 60 days of the filing date, as of the end of the preceding quarter. Assuming that the Company commences the Offer on August 28, 2018, the operative date would be March 31, 2018. As of March 31, 2018, the Company believes that approximately 9.2% of the outstanding Shares were held by U.S. holders.

¹⁵ In accordance with footnote 48 of the MJDS Adopting Release, "U.S. holders" includes any person with a U.S. address on the records of the Company, any voting trustee, any depositary, any share transfer agent or any person acting in a similar capacity on behalf of the Company.

A copy of the exemptive relief decision order in Canada in connection with the Offer was forwarded to your attention on August 22, 2018 (the “**OSC Exemptive Relief Order**”). A copy of the OSC Exemptive Relief Order will be attached as an exhibit to the Schedule 13E-4F.

Although the Company meets the status requirements of Rule 13e-4(g), the Rule requires an analysis, whenever an issuer seeks exemptive relief under Canadian rules, of whether the relief sought is from a requirement that otherwise would be prescribed by Section 13(e)(l) and Rule 13e-4 and Schedule TO thereunder. If this is the case, to proceed with the offer in reliance on Rule 13e-4(g), an issuer must seek an order from the Commission that the applicable provisions are adequate to protect the interests of investors.¹⁶

Limited Canadian Exemptive Relief

As the OSC Exemptive Relief Order demonstrates, except for the exemptions described below, the Offer will be made in compliance with, and subject to, applicable Canadian statutory requirements. Such requirements listed in the letter include, among others, required disclosure items; minimum deposit period; mandatory withdrawal rights; rules regarding when securities must be taken up and paid for; and prohibitions on the issuer purchasing shares during the offer (other than pursuant to the offer). These requirements and others parallel the protections applicable to U.S. tender offers under the Williams Act.

A. Relief from the Canadian Proportionate Take-Up and Disclosure Requirements

The Company has obtained relief from Canadian proportionate take-up and disclosure requirements. The Canadian proportionate take-up requirements require an offeror to take up and pay for securities deposited pursuant to an issuer tender offer proportionately according to the number of securities deposited by each depositing securityholder. See Section 2.26 of NI 62-104.¹⁷ The Canadian proportionate take-up disclosure requirements require an issuer tender offer to disclose that the issuer will take up proportionately according to the number of shares tendered pursuant to the offer. See Item 8 of Form 62-104F2 to NI 62-104. The relief being sought by the Company is similar to the relief sought by Shell Canada Limited in connection with its issuer tender offer that contained a Proportionate Tender feature.¹⁸ The relief being sought by the Company in connection with the Offer is also similar to the relief from the

¹⁶ See Note to Rule 13e-4(g).

¹⁷ The Canadian “proportionate take-up” requirements are substantially the same as the pro-rata requirements of Rule 13e-4(f)(3).

¹⁸ See Shell Canada Limited no action letter (available April 30, 1997). While the offer by Shell Canada Limited did not have a Purchase Price Tender option, it did provide shareholders with the ability to tender their shares using an Auction Tender or a Proportionate Tender in a manner similar to the Offer. See also the Schedule 13e-4 of Imperial Oil Limited (filed publicly June 28, 1996), in which shares could also be tendered pursuant to either Auction Tenders or Proportionate Tenders. In both the Shell Canada and Imperial Oil offers, the majority shareholder in each case advised the company it would tender its shares pursuant to a Proportionate Tender.

Canadian proportionate take up and disclosure requirements that historically were obtained¹⁹ in Canadian modified “Dutch auction” issuer tender offers.²⁰ We respectfully submit that the relief sought from the Ontario Securities Commission for the Offer with respect to the Canadian proportionate take-up and disclosure requirements should not result in the loss of MJDS eligibility because the applicable Canadian regulatory provisions are adequate to protect the interest of investors.

B. Relief from the Extension Take-Up Requirements

If all of the terms and conditions of the Offer have been complied with or waived by the date the Offer is initially scheduled to expire (the “**Initial Expiration Date**”) but the aggregate purchase price for Shares validly tendered pursuant to Auction Tenders and Purchase Price Tenders is less than or equal to the Auction Tender Limit Amount, the Company may wish to extend the Offer if it believes that it is in the best interests of the Company to do so. The Canadian extension take-up requirements would prohibit the Company from doing so due to the Purchase Price and mechanics required to facilitate the availability of Proportionate Tenders in the Offer. Under the extension take-up requirement contained in Section 2.32 of NI 62-104, an issuer may not extend an issuer tender offer if all the terms and conditions of the issuer tender offer have been complied with or waived unless the issuer first takes up all the securities deposited and not withdrawn under the issuer bid. Therefore, the Company has obtained relief of the extension take-up requirement from the Ontario Securities Commission.

It should be noted that if the Offer is extended, Shareholders that had tendered prior to the Initial Expiration Date would maintain their withdrawal rights as withdrawal rights will be available until the final expiration of the Offer.

The Interest of Investors is Adequately Protected

For non-MJDS issuer tender offers conducted in the United States, Rule 13e-4(f)(3) under the Exchange Act establishes the pro rata take-up requirement and, similar to the Canadian requirements, require that in the context of a partial issuer tender offer, the issuer will be required to take up securities tendered into the offer on a *pro rata* basis according to the number of securities tendered into the offer. As described above, the Offer is proposed to be structured with two separate proration pools: one for Auction Tenders and Purchase Price Tenders, and a separate pool for Proportionate Tenders. Although there is a mathematical possibility that Shares

¹⁹ We understand that modified Dutch auctions are expressly permitted by applicable Canadian securities governing the Offer, and therefore the relief sought under Canadian securities laws (see note 20 below) to conduct a modified Dutch auction issuer tender offer is no longer required.

²⁰ See, e.g., MDS Inc. no action letter (available February 28, 2007), PetroKazakhstan Inc. no action letter (available June 10, 2004). See also the Schedule 13E-4F filings of DataMirror Corporation (February 11, 2005), Descartes Systems Group Inc. (June 4, 2003), Quebecor World Inc. (April 28, 2003), and Russel Metals Inc. (March 6, 2000). While none of these offers gave shareholders the option to tender shares pursuant to a Proportionate Tender feature, each of these offers, like the Offer, included a modified Dutch auction process and, accordingly, relief was granted in Canada from the proportionate take-up and disclosure requirements.

tendered pursuant to Auction Tenders and Purchase Price Tenders and Shares tendered pursuant to Proportionate Tenders will all be subject to proration at the same rate, this possibility is statistically unlikely. Notwithstanding this disparity, we submit that the interests of investors are adequately protected, and therefore that the MJDS should continue to exempt the Offer from any such requirement.

The policy reasons for having a U.S. pro rata requirement are fully addressed by the Offer. The purpose of the pro rata requirement is to “allow all shareholders a fair opportunity to participate in the offer.” Proposing Release No. 14234 under the Exchange Act (December 8, 1977) (in reference to Section 14(d)(6) of the Exchange Act, the third party tender offer counterpart of Rule 13e-4(f)(3)). During the period the Offer is open, all Shareholders have an equal opportunity to tender all, none or some portion of their Shares.²¹ Shareholders who tender Shares pursuant to Auction Tenders and Purchase Price Tenders will be subject to proration on an equal basis with other Shareholders tendering Shares pursuant to Auction Tenders and Purchase Price Tenders and, in the case of the Offer, will tender such Shares with advance knowledge that Woodbridge will tender its Shares pursuant to a Proportionate Tender. Shareholders who tender Shares pursuant to Proportionate Tenders have voluntarily opted out of participating in the Auction Tender and Purchase Price Tender side of the Offer, and have elected to be prorated as described above, with advance knowledge that Shares tendered pursuant to Auction Tenders and Purchase Price Tenders may be prorated at a different rate. In fact, the option to tender Shares pursuant to Proportionate Tenders gives Shareholders the added ability to maintain their percentage ownership without having to “guess” the appropriate number of Shares to tender and the appropriate price to specify to achieve this result.²²

We believe that the provision in the Offer for Proportionate Tenders and the utilization of that method of tender by Woodbridge are beneficial to public Shareholders, and therefore to U.S. Shareholders, in two ways.

²¹ However, Shareholders wishing to take advantage of the preference afforded to Odd Lot Holders must tender all of their Shares.

²² We believe that it is unlikely that giving Shareholders the alternative to tender Shares pursuant to Proportionate Tenders has a depressive effect on the Purchase Price and the inclusion of the feature may, in fact, have the opposite effect. Such Shareholders, including Woodbridge, tender Shares knowing that the Purchase Price may be determined to be the lowest price within the price range set for Auction Tenders. Such Shareholders are thus willing to tender Shares at such low price, and if they were not given the option to tender Shares pursuant to a Proportionate Tender would more likely be among the lowest bidders participating in the Auction Tenders, as such Shareholders are by definition more interested in maintaining a fixed percentage ownership than in ensuring Shares are only sold at a high price. This is due to the fact that Shareholders that have agreed to tender their Shares pursuant to Proportionate Tenders will have agreed to have the Purchase Price set by those Shareholders tendering through Auction Tenders—if the Purchase Price (within the Specified Minimum Price and the Specified Maximum Price) was a priority, such Shareholders would likely have made Auction Tenders. In addition, if such Shareholders “guessed” wrong and, at a price below the Purchase Price, tendered more Shares than necessary to maintain their proportionate interest, the Purchase Price would be lower than if a Proportionate Tender option was available.

First, the mechanics of the Proportionate Tender isolate those Shareholders that elect to tender in this manner from the determination of Purchase Price and the aggregate number of Shares tendered, neutralizing the potential effect of tendering choices by those Shareholders on those results of the auction. As explained above, the Purchase Price will be determined entirely by Shareholders that make Auction Tenders or Purchase Price Tenders; a Shareholder that makes a Proportionate Tender accepts that Purchase Price, whatever it is determined to be (and hence is, in capital markets terminology, a “price taker”). Similarly, because the number of Shares tendered by Shareholders that elect to tender by Proportionate Tender are proportionate to the number of Shares tendered by Shareholders that elect to tender by means of an Auction Tender or a Purchase Price Tender, the latter shareholders determine the aggregate number of Shares tendered to the Offer (and hence a Shareholder that makes a Proportionate Tender is also a “volume taker”). Thus, when a Shareholder participates in the Offer by making a Proportionate Tender, it cedes to Shareholders that tender in another manner control over the outcome.

By contrast, if a majority or other major Shareholders were to participate otherwise than by way of Proportionate Tender, it could distort or even determine the results of the auction. For example, Woodbridge could effectively set the Purchase Price by tendering by Auction Tender a number of Shares that, at the Specified Minimum Price (or, in practice, a higher price per Share), equaled the Specified Maximum Dollar Amount. Woodbridge could also, for example, tender all of its Shares by Purchase Price Tender and appropriate to itself a disproportionately large portion of the volume of Shares taken up, and any premium paid, under the Offer. Finally, while, as explained above, in the case of an oversubscribed Offer, Proportionate Tenders would affect proration of Shares tendered by Auction Tender or Purchase Price Tender, if the Proportionate Tender option were unavailable, Woodbridge’s tender of all or a substantial portion of its shares under another option would constrain take-up of shares by other Shareholders either by affecting proration or by excluding take-up of Shares tendered at prices per Share in excess of the Purchase Price, likely determined by Woodbridge. See the first two examples (Examples C-1 and C-2) with respect to Purchase Price Tenders under “Scenario C (Oversubscribed Where Proportionate Tender Option Not Available)” set forth in Exhibit A. In addition, it would be impracticable for Woodbridge to tender and achieve its objective of maintaining its existing ownership position; this would require an accurate estimate of the prices and number of Shares tendered by other Shareholders, with incorrect estimates potentially producing results significantly different from the objective of maintaining its exact ownership position. See the third example (Example C-3) under “Scenario C (Oversubscribed Where Proportionate Tender Option Not Available)” set forth in Exhibit A.

As importantly, the Proportionate Tender mechanics are intended to eliminate the potential influence of Woodbridge on the outcome of the Offer between Woodbridge (and any other Shareholders making a Proportionate Tender), on the one hand, and all other Shareholders in the aggregate, on the other hand. Because Woodbridge tenders proportionately with other Shareholders in the aggregate, it cannot gain financially from those other Shareholders, as it would if it tendered disproportionately more Shares and the Purchase Price per Share fell or if it tendered disproportionately fewer Shares and the Purchase Price per Share rose.

The Proportionate Tender thus serves to ensure fair treatment of those Shareholders that do not tender under a Proportionate Tender. It is very likely for this reason that in issuer tender offers in Canada (which are known as substantial issuer bids) made by companies that have a majority or major shareholder, the market practice is that such shareholder participates by way of Proportionate Tender.

Second, provision for Proportionate Tenders is necessary if the Company is to make the Offer. The Offer is beneficial to public Shareholders, including U.S. Shareholders, because it provides them with additional liquidity beyond that afforded by the availability of ordinary course trading on the TSX and the NYSE because they will be able to sell their Shares on a commission-free basis. Woodbridge has indicated to the Company that it will participate in the Offer provided that it can do so by way of Proportionate Tender. We understand that it is Woodbridge's view that only the Proportionate Tender mechanism will allow it to achieve its objective of equal treatment of Shareholders. Since Woodbridge's participation is in practice essential if the Company is to achieve its goal of repurchasing Shares for the Specified Maximum Dollar Amount, it would not be feasible for the Company to make the Offer without making provision for a Proportionate Tender mechanism. In its detailed analysis of the means of distributing a portion of the cash proceeds from the F&R Transaction to Shareholders, the Company has considered, as alternatives to the Offer, a special dividend and a return of capital and Woodbridge has indicated to the Company that it would support either of them. Although these alternative transactions would be effective for purposes of distribution of those cash proceeds, participation in them would be legally mandatory and public Shareholders, including U.S. Shareholders, may perceive them as being disadvantageous as compared with the Offer²³, participation in which is legally voluntary. If the Company could not proceed by way of the Offer, it would essentially be forced to proceed by way of one or more of those alternative transactions.

With respect to the Canadian exemptive relief regarding the extension take-up requirements, the Company would be permitted to extend the Offer without having to take-up Shares on the Initial Expiration Date. Consistent with Rule 14e-1, the Company would issue a press release no later than 9:00 a.m. (Eastern time) on the next business day after the scheduled expiration date with such press release disclosing the approximate number of Shares deposited to date. Since these procedures to extend the Offer would be in compliance with Rule 14e-1(d), receiving exemptive relief from the extension take-up requirements should not trigger the need for a Commission order.

²³ Unlike in the case of a legally mandatory transaction, a Shareholder who does not wish to realize taxable income can choose not to participate in the Offer since it is a voluntary transaction. Moreover, because the Offer is a voluntary transaction, it provides Shareholders who are optimistic about the Company's prospects with an opportunity to increase their proportionate ownership in the Company by not tendering in the Offer, while at the same time providing Shareholders who are less bullish on the Company with a liquidity event.

For the reasons described herein, we submit that the relief requested below should be granted because it would be consistent with the public interest and the protection of investors and would further the purposes intended by the policy and provisions of the Exchange Act.

Relief Requested

Based on the facts set forth herein, the Company respectfully requests that the Commission issue an order to permit the Offer to proceed under the MJDS and pursuant to Rule 13e-4(g), and without complying with the provisions of Section 13(e)(1) of the Exchange Act and Rule 13e-4 thereunder.

If you have any questions or comments with respect to this matter, or need additional information, please contact Andrew J. Beck at (212) 880- 6010 (abeck@torys.com) or Mile T. Kurta at (212) 880-6363 (mkurta@torys.com).

Yours truly,



Andrew J. Beck
Mile T. Kurta

cc: Marc E. Gold, Thomson Reuters Corporation
John D. Lobrano, Simpson Thacher & Bartlett LLP

Exhibit A

Assumptions:²⁴

- Shares outstanding: 700.1 million
- Woodbridge ownership (Shares): 451.2 million
- Woodbridge ownership (% of Shares outstanding): 64.4%
- Shares Tendered pursuant to Proportionate Tenders: 451.2 million²⁵
- Shares Tendered pursuant to Proportionate Tenders (% of Shares outstanding): 64.4% (the “**Proportionate Tender Percentage**”)
- Specified Maximum Dollar Amount: US\$ 9,000 million
- Auction Tender Limit Amount: US\$ 3,200 million
- Specified Minimum Price: US\$ 40.00
- Specified Maximum Price: US\$ 45.00
- Ignore Odd Lot Tenders for purposes of proration analysis
- The “**Applicable Auction Tender Amount**” means the minimum of (i) the Auction Tender Limit Amount and (ii) the sum of (x) the Auction Tenders and (y) the Purchase Price Tenders
- Proportionate Take Up²⁶: $(\text{Applicable Auction Tender Amount} / (1 - \text{Proportionate Tender Percentage})) - (\text{Applicable Auction Tender Amount})$

Hypothetical Scenarios

Scenario A (Undersubscribed or Fully Subscribed with Proportionate Tender Option)

In this scenario, we present examples in which the Offer is either undersubscribed or fully subscribed, and assuming that each of the Auction Tender, Purchase Price Tender and the Proportionate Tender options is available, as is currently contemplated in the Offer.

Example A-1 (Undersubscribed):

- A total of 50 million Shares tendered pursuant to Auction Tenders and Purchase Price Tenders

²⁴ The Company has not yet determined the Specified Maximum Dollar Amount, the Specified Minimum Price or the Specified Maximum Price and therefore the values are for illustrative purposes only. Numbers may not precisely calculate due to rounding.

²⁵ Shareholders other than Woodbridge would have the right to tender via Proportionate Tenders; however, for purposes of these examples, we have assumed that only Woodbridge would do so.

²⁶ With respect to the proration of Shareholders making Proportionate Tenders, the Company will purchase at the Purchase Price that portion of the Shares owned by such Shareholders that results in such tendering Shareholders maintaining their proportionate equity ownership in the Company following completion of the Offer.

- Purchase Price: US\$ 45.00
- Aggregate Tender Purchase Amount: US\$ 2,250 million
 - Is Aggregate Tender Purchase Amount equal to or less than Auction Tender Limit Amount? **Yes**.
 - No proration of Auction Tenders and Purchase Price Tenders
- Take-up from Proportionate Tenders:
 - $US\$ 2,250 / 35.6\% - US\$ 2,250 = US\$ 4,079$ million
 - $US\$ 4,079 \text{ million} / US\$ 45.00 = 91$ million Shares

Result: A total of 141 million Shares (91 million Shares pursuant to Proportionate Tenders and 50 million Shares pursuant to Auction Tenders and Purchase Price Tenders) will be purchased at Purchase Price of US\$ 45.00 per Share.

Example A-2 (Fully Subscribed):

- A total of 71 million Shares tendered pursuant to Auction Tenders *and* Purchase Price Tenders
- Purchase Price: US\$ 45.00
- Aggregate Tender Purchase Amount: US\$ 3,200 million
 - Is Aggregate Tender Purchase Amount equal to or less than Auction Tender Limit Amount? **Yes**.
 - No proration of Auction Tenders and Purchase Price Tenders
- Take-up from Proportionate Tenders:
 - $US\$ 3,200 / 35.6\% - US\$ 3,200 = US\$ 5,800$ million
 - $US\$ 5,800 \text{ million} / US\$ 45.00 = 129$ million Shares

Result: A total of 200 million Shares (129 million Shares pursuant to Proportionate Tenders and 71 million Shares pursuant to Auction Tenders and Purchase Price Tenders) will be purchased at Purchase Price of US\$ 45.00 per Share.

Scenario B (Oversubscribed with Proportionate Tender Option)²⁷

In this scenario, we present an example in which the Offer is oversubscribed, and assuming that each of the Auction Tender, Purchase Price Tender and the Proportionate Tender options is available, as is currently contemplated in the Offer.

Example B-1 (Oversubscribed Proportionate Tender):

²⁷ Auction Tender and Purchase Price take-up and related proration factors are shown in the aggregate in this scenario for illustrative purposes only. As discussed in note 6 above, proration will be calculated similar to the pro rata calculation described in Rule 13e-4(f)(3) and corresponding Canadian rules.

- A total of 100 million Shares tendered at or below Purchase Price pursuant to Auction Tenders *and* Purchase Price Tenders (see table below, *data in millions except per share amounts*)

| Price (US\$) | Number of Shares Tendered | | Cumulative Shares Tendered | Aggregate Tender Purchase Amount (US\$) |
|--------------|---------------------------|-----------------------|----------------------------|---|
| | Purchase Price Tenders | Auction Price Tenders | | |
| 40.00 | 12.5 | 12.5 | 25 | 1,000 |
| 41.00 | - | 25 | 50 | 2,050 |
| 42.00 | - | 25 | 75 | 3,150 |
| 43.00 | - | 25 | 100 | 4,300 |
| 44.00 | - | 25 | 125 | 5,500 |
| 45.00 | - | 25 | 150 | 6,750 |

- Purchase Price: US\$ 43.00
- Aggregate Tender Purchase Amount: US\$ 4,300 million
 - Is Aggregate Tender Purchase Amount equal to or less than Auction Tender Limit Amount? **No.**
 - Auction Tenders and Purchase Price Tenders pro-rated
 - Proration Factor = US\$ 3,200 / US\$ 4,300 = 74%²⁸
 - US\$ 3,200 / US\$ 43.00 = 74 million Shares
- Take-up from Proportionate Tenders:
 - US\$ 3,200 / 35.6% - US\$ 3,200 = US\$ 5,800 million
 - US\$ 5,800 million / US\$ 43.00 = 135 million Shares

Result: A total of 209 million Shares (135 million Shares pursuant to Proportionate Tenders and 74 million Shares pursuant to Auction Tenders and Purchase Price Tenders) will be purchased at Purchase Price of US\$ 43.00 per Share. Proportionate Tenders constitute 64.4% of the Shares taken up in the Offer.

²⁸ Applicable only to Shares tendered at prices at or below the Purchase Price of US\$ 43.00. All Shares held by the public and tendered at prices above US\$ 43.00 returned to shareholders.

Scenario C (Oversubscribed Where Proportionate Tender Option Not Available)²⁹

In this scenario, we present three examples in which the Offer is oversubscribed, and assuming that only the Auction Tender and Purchase Price Tenders options are available, and the Proportionate Tender option is not available.

Example C-1 (Oversubscribed Where Proportionate Tender Option Not Available – Woodbridge Tenders 100% of Its Investment):

Woodbridge tenders 451.2 million shares (100% of its investment)

- Shares tendered by non-Woodbridge Shareholders pursuant to Auction Tenders and Purchase Price Tenders according to table below (*data in millions except per share amounts*)

| Price (US\$) | Number of Shares Tendered | | | Cumulative Shares Tendered | Aggregate Tender Purchase Amount (US\$) |
|--------------|----------------------------------|---------------------------------|--------------------------------|----------------------------|---|
| | Woodbridge Purchase Price Tender | “Public” Purchase Price Tenders | “Public” Auction Price Tenders | | |
| 40.00 | 451.2 | 12.5 | 12.5 | 476.2 | 19,048 |
| 41.00 | - | - | 25 | 501.2 | 20,549 |
| 42.00 | - | - | 25 | 526.2 | 22,100 |
| 43.00 | - | - | 25 | 551.2 | 23,702 |
| 44.00 | - | - | 25 | 576.2 | 25,353 |
| 45.00 | - | - | 25 | 601.2 | 27,054 |

- Purchase Price: US\$ 40.00
- Value of Shares Tendered at Purchase Price: US\$ 19,048 million
- Specified Maximum Dollar Amount: US\$ 9,000 million
- Proration Factor: $US\$ 9,000 / US\$ 19,048 = 47.2\%$ ³⁰
- Woodbridge Shares Accepted for Purchase: 451.2 million * 47.2% = 213 million
- Non-Woodbridge Shares Accepted for Purchase: 25 million * 47.2% = 12 million

²⁹ Auction Tender and Purchase Price take-up and related proration factors are shown in the aggregate in this scenario for illustrative purposes only. As discussed in note 6 above, proration will be calculated similar to the pro rata calculation described in Rule 13e-4(f)(3) and corresponding Canadian rules.

³⁰ Applicable only to Shares tendered at prices at the Purchase Price of US\$ 40.00. All Shares held by the public and tendered at prices above US\$ 40.00 returned to shareholders.

Result: A total of 225 million Shares (213 million Woodbridge Shares and 12 million Non-Woodbridge Shares) will be purchased at Purchase Price of US\$ 40.00 per Share. Woodbridge constitutes 95% of the Shares taken up in the Offer.

Example C-2 (Oversubscribed Where Proportionate Tender Option Not Available – Woodbridge Tenders 50% of Its Investment):

- Woodbridge tenders 225.6 million shares (50% of its investment)
- Shares tendered by non-Woodbridge Shareholders pursuant to Auction Tenders *and* Purchase Price Tenders according to table below (*data in millions except per share amounts*)

| Price (US\$) | Number of Shares Tendered | | | Cumulative Shares Tendered | Aggregate Tender Purchase Amount (US\$) |
|--------------|----------------------------------|---------------------------------|--------------------------------|----------------------------|---|
| | Woodbridge Purchase Price Tender | “Public” Purchase Price Tenders | “Public” Auction Price Tenders | | |
| 40.00 | 225.6 | 12.5 | 12.5 | 250.6 | 10,024 |
| 41.00 | - | - | 25 | 275.6 | 11,300 |
| 42.00 | - | - | 25 | 300.6 | 12,625 |
| 43.00 | - | - | 25 | 325.6 | 14,001 |
| 44.00 | - | - | 25 | 350.6 | 15,426 |
| 45.00 | - | - | 25 | 375.6 | 16,902 |

- Purchase Price: US\$ 40.00
- Value of Shares Tendered at Purchase Price: US\$ 10,024 million
- Specified Maximum Dollar Amount: US\$ 9,000 million
- Proration Factor: $US\$ 9,000 / US\$ 10,024 = 89.8\%^{31}$
- Woodbridge Shares Accepted for Purchase: 225.6 million * 89.8% = 203 million
- Non-Woodbridge Shares Accepted for Purchase: 25 million * 89.8% = 22 million

³¹ Applicable only to Shares tendered at prices at the Purchase Price of US\$40.00. All Shares held by the public and tendered at prices above US\$40.00 returned to shareholders.

Result: A total of 225 million Shares (203 million Woodbridge Shares and 22 million Non-Woodbridge Shares) will be purchased at Purchase Price of US\$ 40.00 per Share. Woodbridge constitutes 90% of the Shares taken up in the Offer.

Example C-3 (Oversubscribed Where Proportionate Tender Option Not Available – Woodbridge Tenders Hypothetical Amount to Maintain Existing Ownership Position):

- Woodbridge tenders 140 million shares (31% of its investment, constituting an anticipated value of its proportionate position in the Offer – if Woodbridge estimates the Purchase Price would be US\$ 41.50, for example, 140 million Shares would be valued at US\$ 5,810 million, or 64.6% of US\$ 9,000 million)³²
- Shares tendered by non-Woodbridge Shareholders pursuant to Auction Tenders *and* Purchase Price Tenders according to table below (*data in millions except per share amounts*)

| Price (US\$) | Number of Shares Tendered | | | Cumulative Shares Tendered | Aggregate Tender Purchase Amount (US\$) |
|--------------|----------------------------------|---------------------------------|--------------------------------|----------------------------|---|
| | Woodbridge Purchase Price Tender | “Public” Purchase Price Tenders | “Public” Auction Price Tenders | | |
| 40.00 | 140.0 | 12.5 | 12.5 | 165.0 | 6,600 |
| 41.00 | - | - | 25.0 | 190.0 | 7,790 |
| 42.00 | - | - | 25.0 | 215.0 | 9,030 |
| 43.00 | - | - | 25.0 | 240.0 | 10,320 |
| 44.00 | - | - | 25.0 | 265.0 | 11,660 |
| 45.00 | - | - | 25.0 | 290.0 | 13,050 |

³² This scenario represents an outcome whereby Woodbridge attempts to maintain its existing 64.4% ownership position, analogous to the outcome in Example B (with Proportionate Tenders). This would be an unlikely real world scenario because Woodbridge would be unlikely to be able to accurately estimate actual participation by public Shareholders. If Woodbridge anticipates a high degree of public participation at the Purchase Price (which could result in a low proration factor), then Woodbridge could tender a higher number of Shares in order to maintain its approximate existing ownership position. However, if the Offer is only fully or even undersubscribed, this would result in Woodbridge’s Shares being taken up disproportionately with the public Shares, thus allowing Woodbridge to capture a disproportionate portion of the premium offered, but decreasing its post-Offer ownership position. On the other hand, if Woodbridge anticipates low public participation (and thus a higher proration factor), it would tender fewer Shares in an effort to maintain its ownership position. However, if the Offer is in fact oversubscribed, this would result in the public Shareholders’ Shares being taken up disproportionately, thus concentrating Woodbridge’s ownership position. For example, if Woodbridge tenders 139 million shares (only 1 million fewer than the 140 million assumed in this scenario), the Purchase Price would become US\$43.00 and the proration factor would be 87.6% resulting in Woodbridge ownership increasing to 67%.

- Purchase Price: US\$ 42.00
- Value of Shares Tendered at Purchase Price: US\$ 9,030 million
- Specified Maximum Dollar Amount: US\$ 9,000 million
- Proration Factor: $\text{US\$ } 9,000 / \text{US\$ } 9,030 = 99.7\%$ ³³
- Woodbridge Shares Accepted for Purchase: $140.0 \text{ million} * 99.7\% = 140 \text{ million}$
- Non-Woodbridge Shares Accepted for Purchase: $75.0 \text{ million} * 99.7\% = 75 \text{ million}$

Result: A total of 214 million Shares (approximately 140 million Woodbridge Shares and 75 million Non-Woodbridge Shares) will be purchased at Purchase Price of US\$ 42.00 per Share. Woodbridge constitutes 65.1% of the Shares taken up in the Offer and its pro forma ownership is maintained at approximately 64%.

³³ Applicable only to Shares tendered at prices at the Purchase Price of US\$42.00 and below. All Shares held by the public and tendered at prices above US\$42.00 returned to shareholders.