

PRACTICE BULLETIN NO. 3

Effective January 1, 2026

GUIDANCE ON THE LEVELS OF VALUATION CONCLUSIONS

1. The purpose of this Practice Bulletin is to assist the Valuator in:
 - (i) Determining the depth (extent of review, inquiry, analysis, and independent corroboration) of the Scope of Work that is appropriate for each of the three levels of Valuation Conclusions (Calculation, Estimate and Comprehensive);
 - (ii) Determining the suitability of the three levels of Valuation Conclusions and Valuation Reports for various purposes; and
 - (iii) Assessing the impact of the availability and reliability of information on the level of Valuation Conclusion that should be issued.

Scope of Work by Level of Valuation Conclusion

2. As specified in Practice Standard No. 100:
 - **Comprehensive Valuation Conclusion** – is based on an extensive Scope of Work. A Comprehensive Valuation Conclusion has a Scope of Work that addresses the significant inputs and assumptions in detail. As such, it includes a high level of independent corroboration by the Valuator of significant inputs and assumptions.
 - **Estimate Valuation Conclusion** – is based on a Scope of Work that is substantial, but less extensive than a Comprehensive Valuation Conclusion and more extensive than a Calculation Valuation Conclusion. As such, it includes a moderate level of independent corroboration by the Valuator of significant inputs and assumptions.
 - **Calculation Valuation Conclusion** – is based on a Scope of Work that is less extensive than an Estimate Valuation Conclusion and therefore might only be appropriate in certain circumstances. In a Calculation Valuation Conclusion, the Valuator limits the amount of independent corroboration and may make reasonable simplifying assumptions for certain inputs, and places a higher degree of reliance on client representations.
3. The following table provides illustrative examples of the continuum of the depth of review, inquiry, analysis and independent corroboration that might be undertaken. Generally, this continuum corresponds to the level of Valuation Conclusion being issued with the highest

extent of review, inquiry, analysis and independent corroboration of information and factors for a Comprehensive Valuation Conclusion and the lowest for a Calculation Valuation Conclusion. The examples are not intended to be prescriptive of what needs to be undertaken in any particular valuation engagement. A determination of the extent of review, inquiry, analysis and corroboration to be performed in each engagement is necessarily a matter of professional judgment that takes into account all of the relevant facts and circumstances, including the overarching requirement for the Valuation Conclusion to be properly supported and credible for the purpose intended.

Example of Information	Extent of Review, Inquiry, Analysis and Independent Corroboration (“Depth”)	Illustrative Examples of Review, Inquiry, Analysis and Independent Corroboration
Normalizing Adjustments to Earnings / Cash Flows Or Financial Projections	Highest  Lowest	Comprehensive Valuation Conclusion: In-depth analysis of inputs and assumptions, interviews with management, review and assessment of supporting documentation for significant inputs, research and analysis of industry benchmarks. Calculation Valuation Conclusion: Review of inputs and assumptions, consideration and assessment of the reasonableness of management representations using minimal independent corroboration, with comparison to industry outlooks as applicable.
Real Property Market Value	Highest  Lowest	Comprehensive Valuation Conclusion: Property appraisal report by qualified appraiser, at or near the valuation date. Calculation Valuation Conclusion: Management estimate (noted as an assumption) and supported by a high-level opinion from a real estate agent.
Industry research	Highest  Lowest	Comprehensive Valuation Conclusion: Detailed independent research into the underlying industry including relevant risks and opportunities, and consideration of relevant data, including an in-depth review of multiple industry analysis reports. Calculation Valuation Conclusion: General research into the current state of the industry, such as could be obtained by searches of industry association websites and discussions with management as to major industry trends.

Suitability by Level of Valuation Conclusion

4. Some considerations that might be relevant in assessing the suitability of a particular level of Valuation Conclusion (and the accompanying Scope of Work) are as follows:
 - (i) Extent of reliance – the extent of reliance on the Valuation Conclusion will vary based on the circumstances. For example, in contemplation of an open market transaction, the user of the Valuation Conclusion might seek only a general indication of value as the market of buyers has been satisfactorily canvassed and the price of a transaction will ultimately be the result of negotiation or auction. A Valuation Conclusion that provides a lower Scope of Work might be suitable in this situation. In contrast, if an agreement on the price for a transaction or a settlement is being entered into based only on the Valuation Conclusion, the level of reliance, and therefore the appropriate Scope of Work, would be greater;
 - (ii) Significance of the matter to the user – the degree of significance to the user might increase the degree of due diligence (level of Valuation Conclusion) and thus impact the Scope of Work that is required;
 - (iii) Preliminary nature of the matter – a user might require a Valuation Conclusion that is based on a limited Scope of Work for the purpose of making a preliminary or interim assessment in the course of an extended matter;
 - (iv) Number of users of the report – when there is more than one intended user, there might be an increase in the required Scope of Work and disclosure as the implications of a more limited Scope of Work might not be properly understood by all users or the users might have interests that are not aligned;
 - (v) Public availability – if the Valuation Conclusion will be disclosed or referred to in a public document (such as a securities filing), there would typically be an increased need for a more extensive Scope of Work as the implications of a more limited Scope of Work might not be properly understood by all potential users;
 - (vi) Contentious nature of the matter (or potential for being contentious) – if the matter is (or has the potential for being) contentious, this increases the likelihood that the Valuation Conclusion will be used as expert evidence and might be the basis for a settlement, or judgment by a trier of fact (e.g., judge, arbitrator), which would typically increase the Scope of Work that is required; and
 - (vii) Regulations or agreements – regulatory authorities or relevant contracts/agreements (e.g., a shareholders' agreement) might prescribe a certain level of Valuation Conclusion and the nature of the Valuation Report.
5. The foregoing considerations are illustrative and are provided only to assist in assessing the suitability of a Valuation Conclusion and Valuation Report in various circumstances. These considerations are not intended to be exhaustive or prescriptive of what level of Valuation Conclusion should be issued in a particular engagement. A determination as to whether the

level of Valuation Conclusion to be issued will be appropriate for the purpose for which it was prepared is necessarily a matter of professional judgment that considers all of the relevant facts and circumstances.

Availability of Information on Scope of Work

6. One of the considerations in determining the level of Valuation Conclusion and Valuation Report is the availability and reliability of information on which to base a conclusion, relative to the information that exists and/or would typically be available in the circumstances. The inability of the Valuator to have access to certain pieces of relevant information could lead the Valuator to determine that it is not possible to prepare, say, an Estimate Valuation Conclusion but that the Valuator could still prepare a Calculation Valuation Conclusion.
7. Determining the impact of the availability or reliability of information on the level of Valuation Conclusion to be issued is a matter of professional judgment that takes into account all of the relevant facts and circumstances including the purpose of the Valuation Conclusion and Report, the Scope of Work agreed upon by the client and the Valuator, and the significance of the unavailable and/or missing information to the conclusion.

September 23, 2025