



Official M&A Ranking Criteria 2024

Official M&A Ranking Criteria – Fundamentals

Eligibility as an M&A transaction is defined by the principle of a change of economic ownership. If this fundamental test cannot be applied, a deal will not be considered for inclusion.

Only companies or their assets, registered and fully operational, are considered for transactions.

Section 1 General guidelines

- 1.01 An M&A deal may be included in Dealogic and Mergermarket provided there is publicly available confirmation of the deal, along with the following minimum required information:
- Announcement date or completion date of the transaction
 - Identity of the Target (including full name, nationality and industry)
- 1.02 M&A transactions with no public source confirming the basic terms of the transaction will be included as fully rank-eligible deals within Mergermarket only.
- 1.03 An M&A deal is recorded as pending and becomes rank eligible when:
- A definitive agreement has been signed; or
 - A price, price range or valuation is disclosed by one of the parties to the deal in an official press release or regulatory filing; or
 - For spin-offs and split-offs, there is public trading for shares in the spun-off or split-off company.
- 1.04 The announcement date of an M&A deal is assigned as the date when the deal first becomes rank eligible. If a non-binding deal becomes rank eligible due to formal disclosure of valuation, the announcement date will not be amended at a later date upon the disclosure of full deal terms or signing of a definitive agreement.
- 1.05 In Mergermarket, for any privately submitted M&A transactions, the announcement date of a deal is assigned as the date when the definitive merger agreement is signed. Upon any public dissemination of deal terms as per rules 1.04 and 1.26, the announcement date, along with any other deal terms will be overwritten to reflect the terms disclosed in public documentation.
- 1.06 The definitive agreement date of an M&A deal is assigned as the date when the parties sign a binding agreement for the deal. In the absence of a clear indication of a binding agreement, the date on which the board of the target recommends a public offer to its shareholders will be considered the definitive agreement date. The definitive agreement date is not otherwise determined by any transactional calendar imposed by the parties of the deal or any regulatory bodies or by the satisfaction of any pre-conditions.
- 1.07 Letters of Intent, Memoranda of Understanding, Heads of Agreement, Framework Agreements and other similar non-binding arrangements or approaches are not considered definitive agreements. If the price is not disclosed, the deal will be recorded within Dealogic with a deal status of Preliminary Discussion and will not be rank eligible. In Mergermarket the deal will not be recorded at all.
- 1.08 France-targeted transactions where the parties have entered into exclusive negotiations or options subject to work council / work union opinions will be treated as fully rank-eligible transactions from announcement. Announcement Date will be assigned as the date on which the exclusive negotiations

were first publicly disclosed and will not be overwritten upon later disclosure of deal terms such as a price or price range.

- 1.09 A private M&A deal is recorded as completed once the deal is fully unconditional. A public offer is recorded as completed if the deal becomes fully unconditional, the offer period has concluded, the acquired shares reach the minimum acceptance level for the offer, and there is no further acquisition of any remaining shares at the same offer terms.
- 1.10 Transactions, in particular unsolicited public offers, may be marked as withdrawn if still pending 90 days after the last relevant public statement or the last mentioning in a quarterly or annual report.
- 1.11 Only deals recorded with deal status of Pending or Completed are rank eligible. Early-stage situations such as rumors, seeking buyer, seeking target, as well as cancelled deals due to withdrawal, rejection, offer expiration or otherwise not pursued are not rank eligible.
- 1.12 Any unwinding or annulment of an already completed deal will be considered a separate transfer of equity or assets and recorded as a separate deal valued in its entirety.
- 1.13 Concurrent bi-directional stake acquisitions or transfer of assets between two entities for equal consideration amounts (inclusive of any equalizing payment) will be recorded as a single deal and valued for one transfer only.
- 1.14 An on-sale is identified as a transaction negotiated between the original buyer and a new buyer. An on-sale is captured separately and valued in its entirety.
- 1.15 A dual-track sale of a company is rank eligible in the M&A database only if the sale is ultimately executed via M&A. If the sale is executed via ECM, no rank eligible M&A deal will be recorded.
- 1.16 The ultimate parent of a company is assigned as the Acquiror or Divestor on a deal, except in the following cases:
- The Acquiror / Divestor is a portfolio company of a private equity firm; or
 - The Acquiror / Divestor is a private equity arm of a larger bank / company; or
 - The Acquiror / Divestor is the real estate division of a private equity firm or financial sponsor; or
 - The Acquiror and Divestor have a parent-subsidiary relationship with each other; or
 - The listed subsidiary issues shares as consideration for an acquisition; or
 - The listed subsidiary is the *bona fide* transacting company based on official documentary evidence, determined at Dealogic's discretion; or
 - The ultimate parent is a government agency, ministry or sovereign wealth fund, and there is a *bona fide* transacting company as Acquiror / Divestor, determined at Dealogic's discretion.

The dominant geography within Mergermarket will be based on the guidelines above for the bidder and seller.

- 1.17 Only one nationality each is assigned to the primary Target, primary Acquiror, primary Acquiring Subsidiary (if applicable) and primary Divestor (if applicable) of a deal.
- 1.18 Nationality within Dealogic and dominant geography within Mergermarket for a strategic company is assigned based on the nationality of business in accordance with *ION Analytics Official Corporate Criteria*. Nationality is never assigned based on where a company is incorporated or listed.

- 1.19 Nationality of a private equity firm, venture capital firm, or infrastructure fund is bypassed, if such a firm is acting as Acquiror or Divestor of a trade company or real asset. The Target nationality will be used if no other strategic company is in the same consortium on the same side of the deal. This rule does not apply to deals within Mergermarket.
- 1.20 Nationality of a Divestor selling less than 30% of the acquired stake is bypassed. If no Divestor is selling at least 30% of the acquired stake, the Target nationality will be used instead.
- 1.21 Target Nationality in a sale of multinational assets or companies with multiple nationalities is assigned in the following priority:
- i. Nationality of the majority of the assets or companies being sold; or
 - ii. Nationality from which most revenue is derived; or
 - iii. Nationality of the Divestor; or
 - iv. Another nationality selected by Dealogic and Mergermarket, if the Divestor is selling foreign assets with no further detail on their nationalities.
- 1.22 A consortium is identified as multiple parties acting in concert in negotiating an M&A deal as Acquirors or Divestors. Neither subscribers to an underwritten private placement nor equity co-investors are considered as part of a consortium. Both nationality in Dealogic and dominant geography in Mergermarket of a consortium is assigned to the member with the largest stake in the group, or the leading company at Dealogic's and Mergermarket's discretion, provided it is not a private equity firm, venture capital firm or infrastructure fund. Nationality of a consortium is not necessarily based on the largest represented nationality among all parties of the consortium.
- 1.23 In Mergermarket, the industry for a transaction is defined by the dominant industry of the target company only.
- 1.24 Economic ownership is determined by equity alone. Golden shares or veto rights have no bearing in the determination of holdings or changes in ownership.
- 1.25 By default, Dealogic and Mergermarket will treat all leasing companies strictly as finance leases until public evidence clearly demonstrates an operating lease business model. Acceptable evidence includes:
- Financial Statements which outline the exact breakdown of assets classified as either operating lease or finance lease; the majority will apply.
 - Financial Statements which outline the exact revenue breakdown between operating lease and finance lease assets; the majority will apply.
 - Official documentation such as a company press releases, regulatory filings or financial statements which clearly describe the company as an operating lease company.
- 1.26 Any public dissemination of deal terms via official press releases, regulatory filings or third-party sources will be prioritized over privately submitted data.
- 1.27 Dealogic and Mergermarket reserve the right in all disputes to determine the final eligibility, classification, structure, valuation and advisory credit of each deal.

Section 2 Included deal types

- 2.01 Acquisitions of 100% of another entity.
- 2.02 Acquisitions of business units, divisions, product lines or other operations of another entity.
- 2.03 Partial stake acquisitions meeting one of the following conditions:
 - A 5% stake or above; or
 - A \$50m deal value or above (except exclusions per Rule 3.13); or
 - The stake breaches the 50% threshold; or
 - The acquisition results in 100% ownership.
- 2.04 Mergers.
- 2.05 Joint Ventures where at least one party is injecting an operational asset other than cash.
- 2.06 Spin-offs and split-offs.
- 2.07 Privatizations (except government carve-outs excluded per Rule 3.02).
- 2.08 Government-awarded wireless telecommunications licenses.
- 2.09 Pharmaceutical rights and brands.
- 2.10 Natural resource transactions comprising oil & gas wells or blocks, mining properties, timber tracts, wind farms, solar energy farms, tidal or hydro power, and similar alternative energy transactions.
- 2.11 Government concessions awarded, or leases granted for infrastructure assets, if the time period is 15 years or more, and a clear transfer of assets to a concessionaire has taken place.
- 2.12 Real estate property transactions valued at \$100m or above, meeting one of the following conditions:
 - Completed buildings or portfolios thereof, including sale and leaseback transactions; or
 - Advised land purchases where the acquiror has committed a publicly disclosed amount to future development already.
- 2.13 Unfinished or partly-complete projects will be captured and valued in their entirety when public sources clearly demonstrate that the project is generating revenue streams and is open for public use.
- 2.14 Buyback transactions structured as public tender offers, divestments or defensive techniques in response to an unsolicited takeover approach are captured and rank eligible.
- 2.15 Debt-for-equity recapitalizations.
- 2.16 Acquisitions of loan, mortgage, credit card, leasing or annuity portfolios.
- 2.17 Patent deals over \$100m.

- 2.18 Preferred shares exhibiting at least one of the following features:
- Voting rights
 - Board seats
 - Convertible features
- 2.19 Mandatory convertible debt in a company which is not part of an ECM market offering.
- 2.20 Options, warrants and convertible debt (other than mandatory convertible debt outlined in Rule 2.19) are captured and rank eligible only upon conversion into common equity.
- 2.21 Funding rounds.
- 2.22 Transfers of government-owned assets where public documentation demonstrates that the assets are owned by different trading companies, ministries, or regional governments.
- 2.23 On-sales.
- 2.24 Continuation Funds.
- 2.25 Reinsurance transactions.

Section 3 Excluded deal types

- 3.01 Collapsing dual listings and share unification schemes.
- 3.02 Shares sold as parts of underwritten offerings or placements via placing agents where the target is a publicly-listed company are excluded. Equity carve-outs for more than 10% stake or \$100m are captured though not rank eligible.
- For Chinese A-share listed issuers, all private placements to multiple investors with either underwriters or placing agents, or those approved by the Issuance Review Committee of the CSRC, are categorically excluded; Advisors wishing to refute the classification of a specific Chinese A-share private placement should provide a full engagement letter per Rule 6.06, outlining the exact scope of work as evidence of M&A advisory work performed.
- 3.03 Acquisition of rights, other than those outlined in Rules 2.08, 2.09, 2.10 and 2.11.
- 3.04 Transactions of options, warrants and convertible debt (other than those outlined in Rule 2.19) are not captured unless acquired by sovereign wealth funds. Such transactions are not rank eligible until exercise or conversion into common equity. Mandatory convertible debt transactions which have been captured and rank eligible at issuance per Rule 2.19 will not be included again upon conversion.
- 3.05 Outside of situations outlined in Rule 2.14, non-US buyback programs for more than 10% stake or \$100m are captured in the M&A database but not rank eligible, US buyback programs are not captured in the M&A database, however.
- 3.06 Consolidations or break-ups of government, public or independent regulatory agencies.
- 3.07 Real estate property and land purchases other than those outlined in Rule 2.12.

- 3.08 Unfinished or partly-complete projects, start-ups, provision of seed and angel capital or creation of new companies and ventures, except for natural resource and renewable energy businesses outlined in Rule 2.10. Partly-complete projects will be considered for inclusion when public evidence clearly proves that the project is generating revenue streams and is open for public use (as outlined in rule 2.13). Angel and seed capital are captured, though not rank-eligible.
- 3.09 Acquisition of customer accounts.
- 3.10 Individual vehicles and vessels are excluded, except when the whole portfolio or division is being acquired.
- 3.11 Mergers of two or more wholly owned subsidiaries, where the ultimate parent owns 100% of the subsidiaries directly or indirectly.
- 3.12 Open market stake purchases.
- 3.13 Partnerships are excluded, unless official documentation clearly outlines that a change of economic ownership has occurred.

Section 4 Valuation guidelines

- 4.01 The value of an M&A deal is calculated on the principle of cost to the acquiror for the specific stake acquired in the target.
- 4.02 The consideration of an M&A deal is the sum of the declared amount paid by the acquiror for the stake acquired in the target, without any assumption or refinancing of the target's net debt.
- 4.03 The target's net debt is taken from the offer document or is calculated as the sum of the target's interest-bearing liabilities, minus its cash and cash equivalent and short-term investment on its most recent publicly available balance sheet prior to the announcement date of the deal.
- 4.04 Should the equity stake acquired upon completion of the deal differ from the stake intended at announcement, the deal value will be adjusted accordingly after completion.
- 4.05 If the target is a financial institution, an insurance underwriter, a finance leasing company, a mortgage REIT, or a government awarded concession for an infrastructure asset, the net debt is set to zero.
- 4.06 Net debts of companies in the following industries are calculated as per Rule 4.03:
 - Financial exchanges of securities, commodities, derivatives and other financial instruments
 - Providers of technological tools and products supporting financial decision making
 - Payment processing technology companies
- 4.07 The following are not included in the calculation of net debt:
 - Pension liabilities
 - Liabilities with no further obligation of repayment
 - Debt already owed to the acquiror
 - Shareholder's loan
 - Debt attributable to the FIG division of a corporate

- 4.08 Where the Acquiror's ownership in the Target increases from below 50% to above 50% as the result of a deal, and the net debt is positive, the deal value is calculated as the sum of the consideration and the full amount of net debt. In all other cases, the deal value is the same as the consideration. Net debt is never apportioned.
- 4.09 Deal values are sourced from press releases from one of the parties on the deal, official filings with stock exchanges or regulatory agencies, or media reports attributing the deal values to named company officials.
- 4.10 If the value of a deal is not disclosed from an official source, the deal value may be sourced from at least two reputable third-party sources, provided they independently report the deal value on the cost-to-the-acquiror principle and are available for further public scrutiny. Dealogic and Mergermarket have the discretion of rejecting any third-party source which does not meet this requirement. Third-party sources which are only accessible through paid subscriptions are accepted if Dealogic and Mergermarket have permission to share the article upon receipt of and deal challenges or queries.
- 4.11 A deal value publicly reported by a credit rating agency is treated as a single third-party source and must be accompanied by another reputable third-party source.
- 4.12 Blogs and posts on public forums are not considered as eligible third-party sources. Social media posts will be considered if posted directly by the target, acquiror, acquiring subsidiary or divestor on their official social media pages. Two or more third-party sources which are word-for-word identical will count as one single source only.
- 4.13 A deal value reported in a bond prospectus or offering memorandum may be treated as official disclosure if the document is available for public perusal or if Dealogic and Mergermarket are given explicit permission to redistribute the document to other parties.
- 4.14 Analyst estimates, projected values and deal values sourced from only one reputable third-party source are captured as estimated value (as per Section 10) for the purpose of modelling M&A advisory fees, but otherwise treated as undisclosed. In Mergermarket, valuations from these sources will be used to calculate full deal value instead.
- 4.15 The lower end of any price range, either officially disclosed or from multiple third-party sources, will be used for the calculation of deal value.
- 4.16 For the purpose of calculating deal value, any future or deferred payments of consideration, either by installments or conditional upon performance, are not discounted to their net present values.
- 4.17 For Mergermarket, deal values provided by an Advisor via ongoing reconciliation will be considered if there is no estimated deal value in the public domain (as per Section 10). Mergermarket reserves the right in all scenarios to request a letter from the partner to further validate the deal value.
- 4.18 **Earn-outs** are identified as additional consideration based on future performance. Earn-outs are included in the deal value under the assumption that all performance goals will be met.
- 4.19 The number of **fully diluted shares** of a listed company is calculated as the sum of all outstanding common shares and incremental shares attributable to all outstanding in-the-money options, warrants, restricted and performance stock, convertible securities and other share classes of the company:

- In-the-money options and warrants are included by Treasury Stock Method, or by If-Converted Method if the exercise price is not available.
- Restricted and performance stock is included by If-Converted Method.
- In-the-money convertible securities are included by Net Share Settlement Method.
- Multiple trading share classes are converted into the equivalent common shares, based on the last closing price prior to the announcement date.
- Non-trading share classes (including preferred shares convertible into common shares) are aggregated to common shares at conversion ratios disclosed in an official filing of the company.

- 4.20 The **public offer** of a listed company is valued based on the fully diluted shares of a target at the stated offer price per share.
- 4.21 The offer price per share of a **stock swap at a fixed share exchange ratio** is calculated based on the Acquiror's last closing share price prior to the announcement date. If terms are revised, the offer price is recalculated based on the Acquiror's last closing share price prior to revision. At completion, the offer price is revalued based on the Acquiror's closing price on the completion date.
- 4.22 The offer price per share of a **stock swap at a floating share exchange ratio**, a stock swap subject to a **collar**, or an offer with **contingent value rights as payment**, is calculated based on the terms of the offer.
- 4.23 A **special dividend** issued by the target to its shareholders is included as part of the cash offer price, provided that the payment of the dividend is conditional upon the public offer becoming unconditional.
- 4.24 **Stock consideration offered by a listed acquiror for a private target** is valued based on the number of shares issued as consideration and the Acquiror's last closing price prior to the announcement date. At completion, the deal is revalued based on the Acquiror's closing price on the completion date. Where the shareholders of a private target receive a majority stake in the combined company following a stock swap by a listed acquiror, the deal would be classified as a **reverse takeover**.
- 4.25 **Stock consideration offered by a private acquiror** is valued only if the value of the issued stock can be derived from publicly available sources.
- 4.26 For a **mandatory offer**, deal valuation assumes full acceptance of the offer. The deal value will be amended upon completion of the offer and will be based on the number of shares tendered and acquired. When the mandatory offer is preceded by a qualifying stake acquisition (rule 2.03), one of the following methods will be applied:
- One deal is recorded should the implied price per share equal the offer price per share for the mandatory offer.
 - Two separate deals are recorded should the implied price per share differ from the offer price per share for the mandatory offer.
- 4.27 **De-SPAC** transactions are valued at announcement based on the number of shares issued by the SPAC to the target shareholders multiplied by the PIPE price. If there is no PIPE with the De-SPAC, the IPO price of the SPAC will be used instead. At completion, the De-SPAC will be valued as per rule 4.21. Cash payments to target shareholders are included according to disclosed figures in official press releases and regulatory filings. Earnout shares are included and valued based on the PIPE/IPO price.

- 4.28 **Mergers** between two listed companies are structured based on factors such as the terms in the offer document, the market capitalization of both companies, and the premiums on the stock of both companies. In general, the company with the smaller market capitalization will be chosen as the Target. However, Dealogic and Mergermarket will use its discretion to record the deal structure that it deems best reflecting the economics of the deal. Mergers are valued for the Target company only. Mergers are never recorded as a newly established entity acquiring each of the two companies separately and are never valued for the combined entity.
- 4.29 **Three-way mergers** are recorded as two separate transactions, where they are announced jointly and are inter-conditional. (Four-way mergers are recorded as three separate transactions, and so on.) The largest company is considered the Acquiror in both transactions, each of which is valued for the respective Target company only. Three-way mergers are never recorded as a newly established entity acquiring each of the three companies separately, and are never valued for the combined entity.
- 4.30 **Joint ventures** are valued based on the minimum theoretical amount required to achieve the transfer of existing assets or businesses into the joint venture to reflect the new ownership structure. Selection of target and acquiror is based on this analysis. Joint ventures are never valued on the total enterprise value of the combined entity. If no value can be calculated to reflect the minimum amount of assets transferred, the deal value will remain undisclosed.
- 4.31 The issue price of **options, warrants or convertible securities**, which are acquired in conjunction with an otherwise eligible stake acquisition, is included in the deal value if expressly stated. The exercise price is not considered.
- 4.32 The **spin-off** or **split-off** of an unlisted business division into a listed entity is recorded with the deal status of Preliminary Discussion and not valued at the initial announcement. Upon the commencement of public trading of the spun-off entity, the deal status becomes Pending, the announcement date is assigned, and the deal is valued based on the closing price of its first day of public trading and the number of shares to be distributed to shareholders. The net debt of the newly spun-off company will be used if official press releases confirm the net debt of the spun-off company at the time of the completion of the deal.
- 4.33 The **spin-off of a partial stake in a listed company** is recorded with the deal status of Pending at the initial announcement and valued based on the last closing price prior to announcement date and the number of shares to be distributed. The net debt of the newly spun-off company will be used if official press releases confirm the net debt of the spun-off company at the time of the completion of the deal.
- 4.34 Following the **share distribution in a spin-off or a split-off**, the deal status becomes Completed and the deal is revalued based on the closing price of the first day following share distribution and the number of shares distributed.
- 4.35 **Reverse Morris Trust** and **Morris Trust** transactions are recorded as a single deal and structured as the external buyer acquiring the target entity via a stock swap. The intermediate spin-off step is not eligible for inclusion.
- 4.36 The consideration for a **debt-for-equity recapitalization** is valued on the new equity issued to creditors at completion of the reorganization. Net debt is calculated for the reorganized company, rather than the company prior to the restructuring. Recapitalizations are never valued on the amount of debt exchanged or forgiven.

- 4.37 **Loan, mortgage, credit card, leasing and annuity portfolios** are valued by applying a fixed capitalization rate of 8% to the disclosed purchase price for the portfolio as a rule-of-thumb proxy of the equity value of the book. If the purchase price for the portfolio is not disclosed, the fixed capitalization rate of 8% will be applied to the size of the portfolio instead. In the instance that a FIG business division is sold, only equity value will be accepted as a deal value.
- 4.38 The deal value for any company considered to be an **Operating Lease** company (as per rule 1.25) will be valued with outstanding net debt included in full. **Finance Lease** companies will be valued on equity value only.
- 4.39 **Listed funds** are valued based on the offer price or market price per unit.
- 4.40 **Unlisted funds** are valued on the disclosed size of the capital commitment transferred to the new fund manager.
- 4.41 **Asset managers** are not valued based on the assets under management. Without a specified consideration, the valued will remain undisclosed.
- 4.42 **Concessions** are valued on both upfront and future payments to the seller directly attributable to the transfer of assets and the operating rights thereof. Other payments are not included in the valuation.
- 4.43 **Mergers or acquisitions which are conditional** upon one of the parties directly involved in the deal spinning off existing business divisions or assets may be subjected to Deal Value revisions at either Announcement and/or Completion. The value of any spun-off assets or divisions, derived either from official press releases or regulatory filings or from stock exchange listings at the time of completion, may be subtracted from the Deal Value at Announcement and/or Completion of any related mergers or acquisitions.
- 4.44 **Transactions between subsidiaries of the same parent** or **between a parent and its subsidiary** are recorded with apportionment to the stake acquired and deal value, to reflect the effective change of control.
- 4.45 If a **publicly listed acquiror issuing stock as consideration** is suspended from trading on the stock exchange prior to the announcement of a transaction, the offer price per target share disclosed in an official press release will be used to assign deal value. Failing this the last trading price of the acquiror prior to the announcement date will be used instead.
- 4.46 Cash proceeds **re-invested** by selling shareholders are included in their entirety but only when an official press release or regulatory filing confirms that 100% of the target shares are acquired. Failing this, the deal will be structured and valued based on the exact stake acquired.
- 4.47 **Reinsurance transactions** will be valued according to the following priority:
- The disclosed cost to the acquiror for the business division or portfolio acquired, inclusive of capital release and ceding commission where disclosed;
 - The 8% capitalization rate applied to the total portfolio size.
- 4.48 For stake sales where the target is a privately-owned institution, the deal value may be calculated by using the enterprise value multiplied by the stake acquired.

Section 5 Advisory guidelines

- 5.01 Dealogic and Mergermarket track Financial Advisor and Legal Advisor roles on deal profiles. Mergermarket also tracks PR Advisers, Accountants, Brokers, and Consultants where applicable.
- 5.02 A professional institution or individual rendering financial advice on an M&A deal to a company, board, special committee or shareholder, whose services include independent valuations, deal structuring and negotiation, is eligible for **Financial Advisor** credit.
- 5.03 A provider of professional evaluation of the terms of an M&A deal as to the fairness of the price is eligible for **Fairness Opinion** credit. This role may also be referred to as:
- *Independent Expert* in Australia, New Zealand and Taiwan
 - *Independent Financial Advisor* in Asia (except for Chinese A-share companies whose *Independent Financial Advisors* are eligible for Financial Advisor credit instead)
 - Provider of a *Laudo de Avaliação* in Brazil
 - *Rule 3 Adviser* in the United Kingdom
- 5.04 An advisor can be credited with both Financial Advisor and Fairness Opinion roles on the same deal. In Mergermarket Fairness Opinions are credited as Financial Advisor instead.
- 5.05 Providers of due diligence, transaction and accounting services in a deal are not eligible for either Financial Advisor or Fairness Opinion credit. In Mergermarket, providers of financial and tax due diligence will receive **Accountancy** credit, and providers of due diligence other than legal, financial and tax will receive **Consultancy** credit. Providers of acquisition financing or debt advisory are not eligible for either Financial Advisor or Fairness Opinion credit.
- 5.06 **Legal advisory** credit is awarded to legal advisers and legal advisers to the financial adviser in Dealogic and Mergermarket (except for deals announced before 2001). Legal advisers covering specific areas such as competition, tax, employment, intellectual property, environment, property and financing as well as those covering only the local jurisdictional aspects of a multinational deal will be credited in Mergermarket if their related fee income exceeds \$100k. This applies to transactions where the target company is either in the United States, United Kingdom or Europe only. Legal advisers to the debt providers are captured on transaction profiles but not included in the general league tables of legal advisers.
- 5.07 **PR advisory** credit is awarded to providers of financial communication services in Mergermarket only. These services include but are not limited to media relations, investor relations, shareholder identification and corporate communications.
- Where multiple PR advisers are present on the same side of a deal, or where a PR firm covers only the local jurisdictional aspects of a multinational deal, credit will be awarded if the firm's related fee exceeds USD 50,000 for that mandate alone.
- 5.08 Advisors to the acquiror are eligible for full deal value credit when:
- Advising the acquiror or its parent
 - Advising the acquiring consortium or joint venture
- 5.09 Advisors to shareholders of the acquiror who own less than a 50% equity stake are eligible for deal value credit in proportion to the stake held, provided the advisor can demonstrate that the minority shareholder has veto rights or board seats.

- 5.10 Advisors to the target are eligible for full deal value credit when advising a shareholder or a party in a consortium with an equity interest equal to or greater than 50% in the target or divestor.
- 5.11 Advisors to minority shareholders in the target are eligible for deal value credit in proportion to the stake held.
- 5.12 In the case of concurrent pending deals which are mutually exclusive, such as competing offers for a listed target, an advisor is eligible for deal value credit only once. While the deals are still pending, deal value credit is awarded on the applicable deal for the advisor with the highest deal value, whereas deal value credit for the advisor on all other deals will be set to zero. Following the resolution, deal value credit is awarded on the ultimately successful deal.
- 5.13 Advisors to a target not involved in the transfer of a minority stake between acquiror and seller are not eligible for credit, unless it can be clearly proven that the target was separately involved in the negotiations.
- 5.14 Financial Advisors will receive credit only if it is retained before the definitive agreement date of a deal. An advisor retained after the definitive agreement date will not receive credit unless:
- The advisor is retained to advise on a new competing offer or mutually exclusive deal; or
 - The advisor is retained to renegotiate the transaction structure; or
 - The advisor is retained on a hostile bid; or
 - The advisor is retained by a minority shareholder of the target in a public offer; or
 - The advisor is retained to defend against a shareholder activism campaign which has either led to a revised offer by the original acquiror, or causes an agreed bid to lose its board recommendation from either the acquiror or the target; or
 - The advisor is retained to provide a Fairness Opinion to a company listed in Asia (excluding Japan), Australasia, Brazil, or other geographies where local regulations require such roles to be hired after the definitive agreement of a deal; or
 - Where the advisor is named in a regulatory filing which lays out the full terms of an M&A deal to shareholders, but not on the initial announcement of the deal, Dealogic will consult with banks which are named in the original announcement on the role undertaken by the newly named advisor before deciding on the award of credit. This exception will not apply to banks claiming for credit directly or those named in general press releases.
- 5.15 Advisors who are terminated, or for any reason are not present at the completion date of the deal, will be removed from the transaction and are not eligible for credit.
- 5.16 At Dealogic's discretion, unless additional evidence is provided, an advisor on a deal may be credited with a Non-Lead Advisor role (with no impact on deal value credit) under the following circumstances:
- The wording in the press release suggests the advisor has taken a non-lead role; or
 - The advisor is not named in the regulatory filing for the deal, which names other advisors retained by the same client and outlines the duties performed by those other advisors; or
 - Dealogic obtains evidence of an Exclusive or Lead Financial Advisor mandate awarded to another advisor for the same client on the deal.
- 5.17 Advisory credit is awarded only once in transactions where an advisor is retained by both target and acquiror. In Mergermarket, where either a **Financial Advisor** or **Legal Advisor** advises both the buy-side and the sell-side of a transaction, deal value credit will be recorded twice if two separate teams can be identified, and independent engagement letters provided. For **Legal Advisors**, a letter from both leading partners will be accepted as per rule 6.24.

- 5.18 Financial Advisors who advise the foundations (e.g. Dutch “Stitching”) will be eligible for financial advisory credit only if the Foundation exercises their option to acquire preference shares.
- 5.19 Financial Advisory credit will be awarded to undisclosed parties in an M&A deal, only if the financial advisor’s role is disclosed in an official press release or regulatory filing. For legal advisory roles, credit will be given to undisclosed parties in all cases.

Section 6 Reconciliation and challenge guidelines

- 6.01 Valid advisory claims on M&A deals must be submitted in writing to merger.advisers@iongroup.com at the earliest possible date. Claims should include links to publicly accessible web pages confirming M&A deals with the minimum information outlined in Rule 1.01, as well as the advisory roles and the identities of the clients advised. For Mergermarket, deals without public disclosure can be included as stated in rule 1.02.
- 6.02 By submitting a claim, an advisor confirms to Dealogic and Mergermarket that the information in the claim is accurate, the advisor has permission to provide this information to a third party, and Dealogic and Mergermarket have permission to publicly disseminate this information without infringing on any third-party rights or breaching any confidentiality agreement between the advisor and its client. Any request to Dealogic and Mergermarket to withhold public dissemination of a deal or an advisory role would not constitute a valid advisory claim.
- 6.03 For any transaction valued greater than \$250m, a valid **Financial Advisor** claim must be submitted within 15 business days from the definitive agreement date. Advisory claims failing this requirement will be processed after the end of the current quarter. From the first business day following each quarterly reconciliation and challenge deadline until the end of the quarter this rule will apply to all deals, regardless of deal value. This rule does not apply to deals within Mergermarket.
- 6.04 In addition to the 15-day rule (Rule 6.03), Dealogic and Mergermarket enforce a number of additional deadlines each quarter in relation to reconciliation and challenges:
- Reconciliation and Challenge Deadline: see Deadline Dates for 2023 table
 - Press Deadline: 4pm local time (per target nationality) on the penultimate business day of the quarter
 - Publication Deadline: 4pm local time (per target nationality) on the last business day of the quarter
- 6.05 **Financial Advisor** and **Legal Advisor** claims for deals with a deal value or estimated deal value greater than \$1bn submitted after the quarterly Reconciliation and Challenge Deadline must be accompanied by a press release or regulatory filing naming the advisor and its role, or a valid engagement letter or client letter or a letter signed by the partner. Advisory claims failing this requirement will be processed after the end of the quarter.
- Legal Advisor** claims submitted after the quarterly Reconciliation and Challenge Deadline with an announcement date falling within previous quarters will not be processed until the start of the following quarter. The only exception to this rule is if the legal advisor sends an accompanying letter from the partner stating the reasons for claiming late on the transaction. Mergermarket will have the final say when making decisions on the rationale provided.
- 6.06 A valid engagement letter must clearly show all of the following:

- Details of the specific transaction relating to the deal.
- A clear indication of the advisor's role in the transaction beyond the words "Financial Advisor".
- The scope of work undertaken is eligible for league table credit, including but not limited to negotiation, structuring and valuation of the deal.
- The letter is signed by a recognized Company Officer.
- The letter is dated prior to, or cites an effective date prior to, the definitive agreement date.
- The date is within two years preceding the announcement date of the deal.
- The advisor has not been terminated (if the advisor is challenged on the basis of early termination).

- 6.07 For Fairness Opinion roles, Dealogic and Mergermarket will accept engagement letters dated after the definitive agreement date only in geographies where the local regulation prohibits the hiring of such roles prior to the definitive agreement of a deal.
- 6.08 Dealogic and Mergermarket will accept client letters to substantiate an advisory claim or to settle a challenge, if the letter conforms to Rule 6.06 in all respects. Dealogic and Mergermarket may still request a full engagement letter or further documentation if any ambiguity persists.
- 6.09 Dealogic and Mergermarket will accept a digitally signed engagement letter in PDF as long as it contains a Digital ID from a reputable Certificate Authority, the identity of the signatory can be verified against the digital signature, and the PDF file has not been tampered with after the digital signature has been applied.
- 6.10 Dealogic and Mergermarket guarantee full confidentiality of the content in any engagement letter, client letter or other documents submitted by an advisor for the purpose of substantiating an advisory claim.
- 6.11 Advisory claims received after the quarterly Press Deadline will not be included in data and rankings sent to financial media for that quarter.
- 6.12 Advisory claims received after the quarterly Publication Deadline will not be included in either the Dealogic or Mergermarket end of quarter reviews for that quarter.
- 6.13 To receive credit advisory claims received 60 days or more after the completion or termination date of a deal must be accompanied by a valid engagement letter or client letter. This rule does not apply to deals within Mergermarket.
- 6.14 Challenges on advisory roles, deal inclusion, structure or valuation must be submitted in writing to merger.advisers@iongroup.com at the earliest possible date, but in any case within 60 days of the completion or termination date of the deal or the accreditation of an advisor. Any challenge requests made past this deadline will be rejected.
- 6.15 Challenges on advisory roles must include a clear and valid rationale. Dealogic and Mergermarket reserve the right to reject a challenge request if the rationale given is insufficient or contrary to publicly available evidence, or the challenge is deemed frivolous.
- 6.16 Dealogic and Mergermarket guarantee anonymity of the challenging party.
- 6.17 Once a challenge is accepted, Dealogic and Mergermarket will notify the challenged advisor about the specifics of the challenge, including the documentary evidence required and the challenge

deadline. The challenged advisor will be given 10 business days to substantiate its claim with a valid engagement letter or client letter. Disclosure of an M&A advisory role in a press release alone will not give an advisor immunity from challenges on its role, nor will it satisfy documentary evidence required to prove the role. During the challenge period, the advisor will remain on the deal. If the challenged advisor is unable to substantiate the claim after 10 business days, its credit will be removed from the deal.

- 6.18 If an advisor is removed from a deal due to an advisory role challenge, provision of the required documentation will allow the advisory credit to be reinstated immediately.
- 6.19 The provision of an engagement letter, client letter or letter from a partner does not automatically substantiate an advisory claim in a challenge in every case. If any ambiguity persists, Dealogic and Mergermarket may still request further documentation before resolving the challenge.
- 6.20 For challenges on advisory roles on deals below \$1bn credited after the quarterly Reconciliation and Challenge Deadline, the challenged advisor will be required to substantiate its claim within 10 business days or before the quarterly Press Deadline, whichever is the earliest. Failure to substantiate the claim by the quarterly Press Deadline will result in the removal of credit.
- 6.21 Challenges on deal inclusion, structure or valuation received after the quarterly Reconciliation and Challenge Deadline will be resolved after the end of the quarter.
- 6.22 Corporate communications refuting the role of an advisor will not be accepted. Dealogic and Mergermarket will not engage in resolving contradictions between a corporate's signed engagement letter and its subsequent messages. Corporates wishing to remove an advisor's credit from a deal it is involved in must ask the advisor to rescind the claim directly with Dealogic and Mergermarket.
- 6.23 Dealogic and Mergermarket may initiate consultations with the market on disputes which cannot be adequately addressed by the criteria. Market participants should submit their arguments on the issue within the deadline stipulated in the consultation document.
- 6.24 Dealogic and Mergermarket will accept a letter signed directly by the partner of a legal advisory firm to validate the role or involvement of a legal advisor on an M&A transaction in the event of a challenge or claim.

Section 7 Dealogic ranking guidelines

- 7.01 Advisors are awarded deal value credit, deal count credit and fee credit on each rank eligible deal they advise. The role of the advisor (i.e. Financial Advisor, Non-lead Advisor, or Fairness Opinion) has no impact on deal value credit and deal count credit awarded.
- 7.02 Credit is rolled up to the top investment banking division within an advisor's corporate hierarchy.
- 7.03 In the case of a merger or consolidation between advisors, credit awarded to the acquired advisor is rolled up to the surviving advisor.
- 7.04 If an advisor is a joint venture between two banks, credit is assigned to one of the banks only. This is normally the majority owner of the joint venture, or the joint venture itself if it is equally owned. In

exceptional cases where authorized by both parties, credit may be assigned to the bank with the smaller ownership stake instead.

- 7.05 Standard announced M&A deal value rankings are compiled by aggregating the deal value credit in US dollars awarded to each advisor based on the announcement date of the deals.
- 7.06 Deal value credit for each deal is based on the deal value at announcement, or the most recent revised deal value due to offer term changes as of the revision date, subject to adjustments outlined in Section 5. Deal value credits are not otherwise split between advisors on the same deal.
- 7.07 Deal value credit for a deal not denominated in US dollars is converted to its US dollar equivalent at the exchange rate on the announcement date of the deal. If a deal value is not disclosed, the deal value credit for advisors on that deal will be zero.
- 7.08 Standard announced M&A deal value rankings for a particular geography are compiled from all deals where the primary nationality of either the Target, Acquiror, Acquiring Subsidiary or Divestor falls within that geography.
- 7.09 Standard announced M&A deal value rankings specifically for Asia Pacific (ex-Japan), or any individual countries or sub-regions within, do not include Fairness Opinion roles.
- 7.10 Fee credit is awarded based on fee disclosed in publicly available filings where available. Otherwise Dealogic Revenue Analytics model will be used to calculate fee credit.

Section 8 Mergermarket ranking guidelines

- 8.01 Each adviser's credits are consolidated under a single name, which may be the parent advisory company or the investment banking division of the parent company.
- 8.02 Where an advisory firm is acquired or merged with another advisory firm, league table credits are assigned to the surviving entity post completion of the deal. Transactions prior to the completion of the deal will retain the separate advisory credits (which may be consolidated manually for published Mergermarket league tables).
- 8.03 Umbrella advisory entities will be used for league table credits instead of individual firms where written confirmation from the individual and umbrella entities has been provided to Mergermarket.
- 8.04 Mergermarket league table rankings are based on the following attributes:
- Published league tables are based on the announcement date of the transaction.
 - Regional league table rankings are based on dominant geography of the bidder or target or seller.
 - Private equity – Buyout rankings are based on advisors to bidder on buyout deals.
 - Private equity – Exit rankings are based on advisors to target/seller on exit deals.
- 8.05 Mergermarket's published quarterly league table rankings are based on cumulative deal value and number of deals. Deals with undisclosed deal values are included in rankings by number of deals.

- 8.06 League tables of announced deals are based on deals announced during the stated time period and include ongoing deals as well as completed deals. Lapsed or withdrawn transactions will be excluded from published league table rankings.
- 8.07 League tables of completed deals are based on deals that have completed during the stated time period. Completed deals include deals that have been declared unconditional.
- 8.08 Where league tables use a currency that differs from the currency used to record the transaction, the deal value will be converted to the specified currency according to the exchange rate at the time of announcement.

Section 9 M&A Fees Criteria Eligibility

- 9.01 Deals eligible according to the Official M&A Ranking Criteria are eligible for revenue credit.
- 9.02 Dealogic models fees for Financial Advisor and Fairness Opinion Provider roles.
- 9.03 Only M&A-related financial advisory fees are eligible, which are generally paid for valuation, deal structuring, strategic advice and negotiation services. Fairness opinion fees are also captured.
- 9.04 Dealogic aims to capture total average fees paid to banks irrespective of the breakdown between base and incentive / ratchet / discretionary. Outsized incentive fees are not accounted for in the fee model.
- 9.05 10% of the total fee is credited at the announcement date and 90% at completion.
- 9.06 Deals that are cancelled (withdrawn, rejected, blocked or not pursued in any way) are not assigned any fee credit.
- 9.07 The following fees (among other) are not captured:
- Due diligence
 - Transaction services
 - Accounting services
 - Financing
 - Ratings advisory
 - Consultancy
 - Corporate brokerage
 - Debt and equity advisory

Section 10 Estimated Deal Value

- 10.01 Analyst estimates, rumored values, financing, historical deals and valuations sourced from only one reputable third-party source are recorded as estimated deal values, purely for modelling M&A advisory fees.
- 10.02 Deal value can be estimated based on revenue and profit valuation multiples, or other reasonable methods as long the information is sourced from a reputable third-party source.

- 10.03 In the absence of any deal value or its estimate, banks are credited a flat fee.
- 10.04 Bank fees are captured as disclosed where a specific fee amount is mentioned to be paid to a specific bank in a publicly available document.
- 10.05 Whenever the total financial advisory deal fee is disclosed without further breakdown, Dealogic will directly capture the total fee from a public source. The fee split remains modeled.
- 10.06 UK Scheme documents are used to calculate total financial advisory fees through the “financial and corporate broking advice” expense item. Dealogic will capture 90% of the total disclosed fee to exclude the corporate broking portion. The fee split remains modeled.
- 10.07 Whenever the total transaction expenses of the acquisition are disclosed, Dealogic will utilize this aggregate value as directional guidance to model fees across multiple products including M&A.

Section 11 Role Assignment and Model Variables

- 11.01 All Advisors can be marked as lead, equal or non-lead financial advisors, which affects the fee split between Advisors.
- 11.02 The determination of roles is based on publicly available information, captured from the following sources (in the order of priority):
- Official company, SEC and other filings
 - Press releases
 - News articles
- 11.03 Banks that submit client letters as part of late claims or challenges are marked as non-lead.
- 11.04 The percentage split between lead and non-lead advisors depends on a number of factors including public evidence of roles, scope of the advisory work, number of advisors, size of the deal, and type of banks involved.
- 11.05 Fee model variables include but are not limited to:
- Deal value
 - Fee-payer nationality
 - Domestic / Cross-border
 - International Y / N
 - Private/ Listed/ Sovereign
 - Sell-side / Buy-side
 - Sponsor / Corporate
 - Number of advisors
 - Global / Regional advisors
 - Advisory roles
 - Related party transactions
 - Dual track process
 - Spin-offs
 - Hostile / Friendly
 - Competing bids
- 11.06 Examples of factors excluded are bank-client relationship, valuation (ratchets) or work beyond financial advisory (e.g. financing, etc.).
- 11.07 Private information cannot be incorporated into the model as a variable.

Section 12 Fee Reconciliation

- 12.01 Market consultations are conducted by Dealogic on a regular basis. Should banks achieve consensus in relation to new fee estimates, new model assumptions are introduced and consistently applied to all deals.
- 12.02 To make sure fees are accurately modelled at a deal level, banks participate in a fee reconciliation process which ensures that all deal characteristics (such as lead/non-lead) are captured correctly.
- 12.03 Dealogic must provide full transparency around deal fee assumptions to any market participant upon request. Such requests should be submitted to fees@dealogic.com.
- 12.04 Dealogic does not enter actual fees submitted by banks, all fee estimates are calculated through the model.
- 12.05 Bank guidance in relation to the actual deal fee can take the form of:
- Actual fees (e.g. \$8m)
 - Ballpark range (e.g. \$5m-\$10m) of the actual fee
 - Approx. % delta between actual and modeled estimate (e.g. -30%)
 - Other alternatives
- 12.06 Dealogic may request further feedback in relation to deal characteristics (e.g. lead/non-lead). Feedback must be validated through public sources to amend deal characteristics.
- 12.07 To ensure balanced and complete feedback, banks are required to set up deal selection criteria that is followed throughout the process. Examples include:
- All deals within a specified region or sector
 - All deals above a predefined deal value threshold
 - Predefined number of deals – half selected by bank and half by Dealogic
- 12.08 Only deals announced or completed in the current or previous quarters are reviewed.
- 12.09 The reconciliation process is required to be run on a regular basis such as weekly, monthly or quarterly.

M&A Criteria – Deadline dates for 2024

| | 1Q 2024 | 2Q 2024 | 3Q 2024 | 4Q 2024 |
|--|----------------------|---------|---------|---------|
| 15-day claim rule | Valid all year round | | | |
| Advisor Confirmation Packs Distribution | 1-Mar | 31-May | 30-Aug | 15-Nov |
| Reconciliation and Challenge Deadline | 8-Mar | 7-Jun | 6-Sep | 6-Dec |
| Press Deadline | 27-Mar | 27-Jun | 27-Sep | 30-Dec |
| Publication Deadline | 28-Mar | 28-Jun | 30-Sep | 31-Dec |
| Processing of Late Claims | 10-Apr | 10-Jul | 10-Oct | 10-Jan |
| Cutoff time of 4pm local time (based on target nationality) applies to both Press Deadline and Publication Deadline. | | | | |

Publication dates for 2024

| | 1Q 2024 | 2Q 2024 | 3Q 2024 | 4Q 2024 |
|--|---------|---------|---------|---------|
| Dealogic Quarterly Rankings | 2-Apr | 1-Jul | 1-Oct | 2-Jan |
| Mergermarket Rankings for Financial Advisors | 2-Apr | 1-Jul | 1-Oct | 2-Jan |
| Mergermarket Rankings for Legal Advisors | 8-Apr | 8-Jul | 8-Oct | 8-Jan |
| Mergermarket Rankings for PR Firms | - | 30-Jul | - | 30-Jan |

M&A Criteria – Contact details

All advisory claims or challenges on M&A deals should be submitted to merger.advisers@iongroup.com.

For more information on the Official M&A Ranking Criteria 2024 please contact the Dealogic and Mergermarket M&A team:

| | | | |
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