



Deal Inclusion and League Table Criteria

2019

MergerLinks Limited

20-22 Wenlock Road
London N1 7GU



1. Database coverage

- a. MergerLinks tracks Merger & Acquisitions ("M&A"), where there is a transfer of an economic interest in an operational company or an operational asset
- b. Transactions coverage is global and includes M&A announced since 01 January 2015
- c. Transactions comprise exclusively non-confidential information, announced directly by parties involved in the transactions
- d. Transaction profiles are made available free of charge to registered users of the MergerLinks platform

2. Qualifying Deal Value

- a. Minimum Deal Value of GBP 10 million
- b. For transactions where Deal Value has not been disclosed target's turnover needs to be greater than GBP 10 million
- c. Deal Value is defined by cost to the acquirer and therefore includes equity and net debt (see below for details)

3. Timing of disclosure

- a. Deals qualify for inclusion from the announcement date of:
 - i. Binding agreement in case of private transactions
 - ii. Public offer made to shareholders of the target in case of public transactions
- b. Non-binding or rumoured offers for private companies are excluded

4. Deal types excluded from MergerLinks

- a. Transactions for less than 5% of common ownership
- b. Acquisitions of brands, rights and/or licenses
- c. Acquisitions of Real Estate
- d. Acquisitions of non-operational assets
- e. Acquisition of derivatives
- f. Internal restructurings
- g. Open market share disposals, unless part of the privatisation process
- h. Multiple bids in relations to the same transactions (only the latest terms are tracked)

5. Submission criteria

- a. Content Partners, including advisers, investors and corporate can submit deals for inclusion in MergerLinks and claim credit for historic and new deals directly via the platform
- b. Information required for submission, where applicable:
 - i. Date of announcement
 - ii. Date of completion
 - iii. Name of the Target, Bidder, Vendor
 - iv. The geographical location of Target, Bidder, Vendor
 - v. The industry classification of Target, Bidder, Vendor
 - vi. Deal status
 - vii. Deal Value (GBPm)
 - viii. If undisclosed, confirmation of qualifying revenue size (GBPm)
 - viii. Stake acquired (%)
 - ix. Deal description or comments
 - x. Advisory role and client
 - xi. Evidence of involvement
 1. Link to the publicly available document confirming advisors' involvement (e.g., press release, stock exchange announcement, engagement letter extract)
- c. Optional
 1. Team members involved in the transaction
 2. Key words classifying deal
 3. Geographical location is based upon the headquarters location of the parties involved or the primary location of the assets/subsidiary being subject of the transaction
- d. Industry classification is defined by corresponding SIC codes of the parties involved
- e. Submission deadlines
 - i. MergerLinks must receive notification of an advisor role on any transaction with within 15 business days of the public announcement of the transaction
 - f. Information accuracy
 - i. MergerLinks requires that all users communicating deal information via platform attest that all data submitted for inclusion is accurate, user has all necessary permission to provide submitted information, and that use of the material by MergerLinks will not infringe on any right (e.g., copyright) of any third party or breach any law or agreement (e.g., confidentiality obligations)
 - ii. By submitting information, each contributor is confirming to MergerLinks that all of the above statements are correct
- f. Deal Value criteria
 - a. Deal Value is calculated as the sum of the consideration paid by the acquirer for the equity stake in the target plus the value of the target's net debt, where applicable
 - b. Net debt is defined as short-term and long-term interest-bearing debt minus cash and cash equivalents
 - c. Deal Value include net debt subject to acquirer consolidating target's financials following the transaction (e.g., if acquirer purchases less than

50% stake in the target, only the equity portion of the consideration is considered as Deal Value)

- d. Net debt is not considered for a financial institution regardless of the stake acquired
 - e. Earn-outs or future additional payments based on the target achieving certain financial indicators are included subject to time horizon not longer than 24 months
 - f. Deal Value for offers where the target company is listed are based on the value of outstanding share capital of the target company at the date of announcement
- 7. Adviser credits**
- a. Advisers can claim credit for the advice provided to any principals (bidder, target or seller), key shareholder groups, the management or supervisory boards involved in the transaction
 - b. Advisory roles tracked, where applicable:
 - i. Financial
 1. Includes transaction management, fairness opinions, independent financial advice in relation to the transaction
 2. Excludes financing and financial due diligence
 - ii. Legal
 1. Includes corporate, tax, competition, intellectual property, employment, regulation, financing
 - iii. Accounting
 1. Includes financial, tax due diligence and other audits, completion accounts or locked box advisory
 - iv. Commercial
 1. Includes commercial and economic due diligence
 - v. Technical advisor
 1. Includes transactions related due diligence and post completion advisory across technical, IT, environmental, HR, compensation, pensions, post-merger-integration and operations
 - vi. Financing
 1. Includes debt providers
 - vii. Broker
 - viii. Public Relations
 1. Allocation to specific adviser category is based on the scope of the advice provided to the client
 - d. Advisors may be required to provide evidence of work completed on specific transactions before advisory credit is attributed

8. League Tables – firm-level criteria

- a. Adviser's allocations are consolidated under a single umbrella name of the company
- b. League tables are based upon either cumulative Deal Value (GBPm) or number of transactions in a specified period
- c. Cumulative transaction values and volumes are based off the announcement date
- d. Any non-GBP Deal Values will be converted as at the date of the transaction announcement
- e. When the Deal Value of the eligible transactions is not disclosed advisors receive volume credit
- f. Announced transactions league tables include all transaction as defined in the point "Timing of disclosure".

9. League Tables – people-level criteria

- a. Requirements outlined in point "8. League Tables – firm-level criteria" are observed for the people level League Tables with the following variations/additions:
 - i. Deals with disclosed Deal Value of GBP100m or more are taken into considerations. If Deal Value has not been officially disclosed, revenue or asset thresholds can be used to determine qualifying deals
 - ii. League Tables include dealmakers leading the transaction. Leadership is defined based on the publicly available documents or adviser's submission with regards to its own team
 - iii. League tables define keywords used to compile any given league table. Keywords will typically cover advisory role, geography, sector, speciality, deal type, dealmaker speciality
 - iv. Each League Table defined timeframe of consideration. Deals are included within the timeframe based on the deals' announcement date

10. Challenge guidelines

- a. Content Partners may challenge deal inclusion, valuations or adviser credits directly via the platform which triggers the Challenge Process as defined below
 - i. MergerLinks must receive all challenges to an advisory assignment or the validity of the transaction within 90 days of the transaction announcement
 - ii. Challenges to the transaction announced after the above deadline will require documentation substantiating the reason for delayed challenge
 - iii. Users must respond to challenges within 10 business days (starting from the day after the challenge notice is sent) with supporting documentation, which can include public documentation, signed engagement letter, or client letter confirming advisory services provided in relation to the mandate

- iv. Failure to respond to the credential challenge within the prescribed time will result in immediate removal of transaction credit
- v. If the challenge is successfully met after the deadline, transaction credit will be restored up to fifteen days after the challenge is complete
- b. MergerLinks will accommodate an extension to the challenge deadline if a valid reason is provided
- c. MergerLinks reserves the right to determine transaction classification, credentials credit and challenge validity of claims at its own discretion

11. Transaction types criteria

- a. Share consideration
 - i. Deal Value is based on the acquirer's closing share price on the last trading day prior to the announcement or final announcement, in case of a revised offer
- b. Mergers
 - i. Deal Value is based on the value of the target company, defined as:
 1. The company with the smaller equity stake in the merged entity, or
 2. The company with the smaller market capitalisation prior to announcement (where terms are not disclosed), or
 3. The company for which an offer is being made (if above two are not available)
 - ii. Deal Value is not based on the combined value of the merged entity
 - iii. Multi-way mergers are tracked as separate transactions
 1. The acquirer in each separate transaction is identified by reference to the largest equity stake in the merged entity
 2. To be classified as multi-way merger transactions needs to be announced on the same day
- c. De-mergers and spin-offs
 - i. Deal Value is announced post-completion and is based on the number of shares distributed to the parent company shareholders and the opening share price of the new company on the first day of trading
- d. Joint ventures
 - i. Deal Value is based on the value of the contributed assets, provided the valuation of the assets is representative of the equity valuation of the new entity
- e. Debt-for-equity swaps
 - i. Deal Value is based on the value of the equity issued in exchange for the debt. If as a result of the transaction acquirer consolidates target financials net debt post-restructuring is included in the Deal Value

12. Notice

- a. By submitting deal information, each contributor acknowledges and accepts that MergerLinks reserves the right to review all submissions, to determine at any time whether or not to include and/or withdraw them, to determine valuation, database, and league table eligibility, and to determine the validity of any challenges
- b. Each contributor acknowledges and accepts that MergerLinks limits (to the maximum extent permitted under applicable law) any and all liability arising as a result of MergerLinks's exercise of any and all such rights.

13. Contact

- a. For more information regarding MergerLinks submission criteria or methodology, please contact our research team at research@mergerlinks.com
- b. If you would like to contribute information for consideration in the future League Tables, please contact our team at contact@mergerlinks.com