

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended February 28, 2021

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-36495

IHS MARKET LTD.

(Exact name of registrant as specified in its charter)

Bermuda
(State or Other Jurisdiction of Incorporation or
Organization)

001-36495
(Commission File Number)

98-1166311
(IRS Employer Identification Number)

**4th Floor, Ropemaker Place
25 Ropemaker Street
London, England
EC2Y 9LY**
(Address of Principal Executive Offices)

+44 20 7260 2000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Shares, \$0.01 par value per share	INFO	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of February 28, 2021, there were 398,524,763 Common Shares outstanding (excluding 25,219,470 outstanding common shares held by the Markit Group Holdings Limited Employee Benefit Trust).

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. These statements, which express management’s current views concerning future business, events, trends, contingencies, financial performance, or financial condition, appear at various places in this report and use words like “aim,” “anticipate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “goal,” “intend,” “likely,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “see,” “seek,” “should,” “strategy,” “strive,” “target,” “will,” and “would” and similar expressions, and variations or negatives of these words. Examples of forward-looking statements include, among others, statements we make regarding: the completion of the merger with S&P Global Inc. (“S&P Global”) on anticipated terms and timing, including unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of the combined company’s operations and other conditions to the completion of the merger; the ability of S&P Global and IHS Markit to integrate the business successfully and to achieve anticipated synergies; potential litigation relating to the proposed transaction that could be instituted against S&P Global, IHS Markit or their respective directors; the risk that disruptions from the proposed transaction will harm S&P Global’s and IHS Markit’s business, including current plans and operations; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the merger; rating agency actions; potential business uncertainty, including changes to existing business relationships, during the pendency of the merger that could affect IHS Markit’s financial performance; certain restrictions during the pendency of the merger that may impact IHS Markit’s ability to pursue certain business opportunities or strategic transactions; guidance and predictions relating to expected operating results, such as revenue growth and earnings; strategic actions such as acquisitions, joint ventures, and dispositions, the anticipated benefits therefrom, and our success in integrating acquired businesses; anticipated levels of capital expenditures in future periods; anticipated levels of indebtedness, capital allocation, dividends, and share repurchases in future periods; our belief that we have sufficient liquidity to fund our ongoing business operations; expectations of the effect on our financial condition of claims, litigation, environmental costs, contingent liabilities, and governmental and regulatory investigations and proceedings; and our strategy for customer retention, growth, product development, market position, financial results, and reserves. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on management’s current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict and many of which are outside of our control. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: operating in competitive markets, economic and financial conditions, including volatility in interest and exchange rates; our ability to develop new products and services; our ability to manage system failures or capacity constraints; our ability to manage fraudulent or unpermitted data access or other cyber-security or privacy breaches; our ability to successfully manage risks associated with changes in demand for our products and services; our ability to manage our relationships with third-party service providers; legislative, regulatory, and economic developments, including any new or proposed U.S. Treasury rule changes; the extent to which we are successful in gaining new long-term relationships with customers or retaining existing ones and the level of service failures that could lead

customers to use competitors' services; the anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion, and growth of our operations; our ability to retain and hire qualified personnel; our ability to satisfy our debt obligations and our other ongoing business obligations; the occurrence of any catastrophic events, including acts of terrorism or outbreak of war or hostilities; and risks related to public health and safety issues, including the COVID-19 pandemic, on our operations and the operations of our customers and suppliers. These risks, as well as other risks which would cause actual results to be significantly different from those expressed or implied by these forward-looking statements, are more fully discussed under the caption "Risk Factors" in our Annual Report on Form 10-K, along with our other filings with the U.S. Securities and Exchange Commission ("SEC"). While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on our consolidated financial condition, results of operations, credit rating, or liquidity. Therefore, you should not rely on any of these forward-looking statements. Any forward-looking statement made by us in this Quarterly Report on Form 10-Q is based only on information currently available to our management and speaks only as of the date of this report. We do not assume any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

Website and Social Media Disclosure

We use our website (www.ihsmarket.com) and corporate Twitter account (@IHSMakit) as routine channels of distribution of company information, including news releases, analyst presentations, and supplemental financial information, as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor our website and our corporate Twitter account in addition to following press releases, SEC filings and public conference calls and webcasts. Additionally, we provide notifications of news or announcements as part of our investor relations website. Investors and others can receive notifications of new information posted on our investor relations website in real time by signing up for email alerts.

None of the information provided on our website, in our press releases, public conference calls, and webcasts, or through social media channels is incorporated into, or deemed to be a part of, this quarterly report on Form 10-Q or in any other report or document we file with the SEC, and any references to our website or our social media channels are intended to be inactive textual references only.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

IHS MARKIT LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except par value)

	As of February 28, 2021 (Unaudited)	As of November 30, 2020 (Audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 172.0	\$ 125.6
Accounts receivable, net	981.9	891.7
Deferred subscription costs	99.8	84.3
Assets held for sale	857.0	—
Other current assets	139.6	131.7
Total current assets	2,250.3	1,233.3
Non-current assets:		
Property and equipment, net	673.8	724.8
Operating lease right-of-use assets, net	293.1	296.8
Intangible assets, net	3,456.9	3,846.1
Goodwill	9,715.0	9,908.7
Deferred income taxes	27.1	27.1
Other	253.4	98.4
Total non-current assets	14,419.3	14,901.9
Total assets	\$ 16,669.6	\$ 16,135.2
Liabilities and equity		
Current liabilities:		
Short-term debt	\$ 478.1	\$ 268.1
Accounts payable	31.0	48.2
Accrued compensation	95.9	206.1
Other accrued expenses	505.5	477.6
Income tax payable	39.0	29.1
Deferred revenue	1,049.8	886.2
Operating lease liabilities	62.0	63.5
Liabilities held for sale	99.8	—
Total current liabilities	2,361.1	1,978.8
Long-term debt, net	4,642.7	4,641.7
Deferred income taxes	492.6	543.4
Operating lease liabilities	293.0	297.7
Other liabilities	175.6	130.4
Commitments and contingencies		
Redeemable noncontrolling interests	13.2	13.8
Shareholders' equity:		
Common shares, \$0.01 par value, 3,000.0 authorized, 483.5 and 480.4 issued, and 398.5 and 396.5 outstanding at February 28, 2021 and November 30, 2020, respectively	4.8	4.8
Additional paid-in capital	7,870.8	7,830.2
Treasury shares, at cost: 85.0 and 83.9 at February 28, 2021 and November 30, 2020, respectively	(3,140.6)	(3,039.8)
Retained earnings	3,910.6	3,842.1
Accumulated other comprehensive income (loss)	45.8	(107.9)
Total shareholders' equity	8,691.4	8,529.4
Total liabilities and equity	\$ 16,669.6	\$ 16,135.2

See accompanying notes.

IHS MARKIT LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In millions, except for per-share amounts)

	Three months ended February 28/29,	
	2021	2020
Revenue	\$ 1,119.9	\$ 1,080.8
Operating expenses:		
Cost of revenue	415.2	415.8
Selling, general and administrative	302.2	316.2
Depreciation and amortization	151.6	145.3
Restructuring and impairment charges	1.0	4.5
Acquisition-related costs	13.1	0.9
Other expense (income), net	3.4	(372.8)
Total operating expenses	886.5	509.9
Operating income	233.4	570.9
Interest income	0.1	0.4
Interest expense	(55.5)	(61.2)
Net periodic pension and postretirement expense	—	(21.5)
Non-operating expense, net	(55.4)	(82.3)
Income from continuing operations before income taxes and equity in loss of equity method investees	178.0	488.6
Provision for income taxes	(30.3)	(4.3)
Equity in income (loss) of equity method investees	1.0	(0.3)
Net income	148.7	484.0
Net loss attributable to noncontrolling interest	0.6	1.0
Net income attributable to IHS Markit Ltd.	\$ 149.3	\$ 485.0
Basic earnings per share attributable to IHS Markit Ltd.	\$ 0.38	\$ 1.23
Weighted average shares used in computing basic earnings per share	397.4	395.7
Diluted earnings per share attributable to IHS Markit Ltd.	\$ 0.37	\$ 1.20
Weighted average shares used in computing diluted earnings per share	400.8	404.1

See accompanying notes.

IHS MARKIT LTD.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited, in millions)

	Three months ended February 28/29,	
	2021	2020
Net income	\$ 148.7	\$ 484.0
Other comprehensive income (loss), net of tax:		
Net hedging activities	—	0.1
Net pension liability adjustment ⁽¹⁾	—	4.9
Foreign currency translation adjustment	153.7	(35.6)
Total other comprehensive income (loss)	153.7	(30.6)
Comprehensive income	\$ 302.4	\$ 453.4
Comprehensive loss attributable to noncontrolling interest	0.6	1.0
Comprehensive income attributable to IHS Markit Ltd.	<u>\$ 303.0</u>	<u>\$ 454.4</u>

⁽¹⁾ Net of tax expense of \$2.1 million for the three months ended February 29, 2020.

See accompanying notes.

IHS MARKIT LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in millions)

	Three months ended February 28/29,	
	2021	2020
Operating activities:		
Net income	\$ 148.7	\$ 484.0
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	151.6	145.3
Stock-based compensation expense	65.8	82.6
Gain on sale of assets, net	(0.1)	(372.3)
Impairment of assets	1.3	—
Payments for acquisition-related performance compensation	—	(75.9)
Net periodic pension and postretirement expense	—	21.5
Undistributed earnings of affiliates, net	(1.0)	0.2
Pension and postretirement contributions	—	(8.2)
Deferred income taxes	7.3	15.1
Change in assets and liabilities:		
Accounts receivable, net	(118.6)	(89.8)
Other current assets	(27.2)	(41.0)
Accounts payable	(11.8)	(21.5)
Accrued expenses	(139.1)	(142.0)
Income tax	11.7	(40.0)
Deferred revenue	163.2	151.8
Other assets and liabilities	(7.3)	9.7
Net cash provided by operating activities	244.5	119.5
Investing activities:		
Capital expenditures on property and equipment	(72.6)	(78.0)
Acquisitions of businesses, net of cash acquired	(46.9)	—
Payments to acquire equity investments	(152.3)	(3.6)
Proceeds from sale of assets	—	466.2
Change in other assets	(2.8)	(0.1)
Settlements of forward contracts	10.8	2.5
Net cash (used in) provided by investing activities	(263.8)	387.0
Financing activities:		
Proceeds from borrowings	260.0	293.8
Repayment of borrowings	(50.0)	(209.1)
Contingent consideration payments	(1.0)	—
Dividends paid	(79.3)	(67.7)
Repurchases of common shares	—	(500.0)
Proceeds from the exercise of employee stock options	0.6	130.9
Payments related to tax withholding for stock-based compensation	(73.6)	(110.0)
Net cash provided by (used in) financing activities	56.7	(462.1)
Foreign exchange impact on cash balance	9.0	(12.0)
Net increase in cash and cash equivalents	46.4	32.4
Cash and cash equivalents at the beginning of the period	125.6	111.5
Cash and cash equivalents at the end of the period	\$ 172.0	\$ 143.9

See accompanying notes.

IHS MARKIT LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited, in millions)

	Common Shares		Additional Paid-In Capital	Treasury Shares	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity	Redeemable Noncontrolling Interests
	Shares Outstanding	Amount						
Balance at November 30, 2019 (Audited)	398.3	\$ 4.8	\$ 7,769.4	\$ (2,391.8)	\$ 3,295.0	\$ (261.6)	\$ 8,415.8	\$ 15.1
Repurchases of common shares	(6.5)	—	—	(500.0)	—	—	(500.0)	—
Share-based award activity	2.2	—	(175.8)	134.3	\$ (21.6)	—	(63.1)	—
Option exercises	4.9	—	130.9	—	—	—	130.9	—
Dividends and dividend equivalents	—	—	—	—	(69.0)	—	(69.0)	—
Net income (loss)	—	—	—	—	485.0	—	485.0	(1.0)
Other comprehensive loss	—	—	—	—	—	(30.6)	(30.6)	—
Balance at February 29, 2020	398.9	\$ 4.8	\$ 7,724.5	\$ (2,757.5)	\$ 3,689.4	\$ (292.2)	\$ 8,369.0	\$ 14.1

	Common Shares		Additional Paid-In Capital	Treasury Shares	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity	Redeemable Noncontrolling Interests
	Shares Outstanding	Amount						
Balance at November 30, 2020 (Audited)	396.5	\$ 4.8	\$ 7,830.2	\$ (3,039.8)	\$ 3,842.1	\$ (107.9)	\$ 8,529.4	\$ 13.8
Share-based award activity	2.0	—	40.0	(100.8)	(0.1)	—	(60.9)	—
Option exercises	—	—	0.6	—	—	—	0.6	—
Dividends and dividend equivalents	—	—	—	—	(80.7)	—	(80.7)	—
Net income (loss)	—	—	—	—	149.3	—	149.3	(0.6)
Other comprehensive income	—	—	—	—	—	153.7	153.7	—
Balance at February 28, 2021	398.5	\$ 4.8	\$ 7,870.8	\$ (3,140.6)	\$ 3,910.6	\$ 45.8	\$ 8,691.4	\$ 13.2

See accompanying notes.

IHS MARKIT LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation and Significant Accounting Policies

The accompanying unaudited condensed consolidated financial statements of IHS Markit have been prepared on substantially the same basis as our annual consolidated financial statements and should be read in conjunction with our Annual Report on Form 10-K for the year ended November 30, 2020. In our opinion, these condensed consolidated financial statements reflect all adjustments necessary for a fair presentation of the financial position, results of operations, and cash flows for the periods presented, and such adjustments are of a normal, recurring nature.

Our business has seasonal aspects. Our first quarter generally has our lowest quarterly levels of revenue and profit. We also experience event-driven seasonality in our business. For instance, CERAWEEK, an annual energy conference, is typically held in the second quarter of each year; however, this event was cancelled in 2020 due to the COVID-19 pandemic, and we held this conference virtually in March 2021. Another example is the biennial release of the Boiler Pressure Vessel Code (“BPVC”) engineering standard, which generates revenue for us predominantly in the third quarter of every other year. The most recent BPVC release was in the third quarter of 2019.

The preparation of financial statements in conformity with U.S. GAAP requires that we make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well the reported amounts of revenue and expense during the reporting period. We have considered the impact of the COVID-19 pandemic in determining our estimates. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, which replaces the existing incurred loss impairment model with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The adoption of this standard in the first quarter of 2021 did not have a significant impact on our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, which removes Step 2 from the goodwill impairment test. The adoption of this standard in the first quarter of 2021 did not have a significant impact on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, which addresses the accounting for implementation costs associated with a hosted service. The standard provides that implementation costs be evaluated for capitalization using the same criteria as that used for internal-use software development costs, with amortization expense being recorded in the same income statement expense line as the hosted service costs and over the expected term of the hosting arrangement. The adoption of this standard in the first quarter of 2021 did not have a significant impact on our consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, which enhances and simplifies various aspects of the income tax accounting guidance, including requirements such as tax basis step-up in goodwill obtained in a transaction that is not a business combination, ownership changes in investments, and interim-period accounting for enacted changes in tax law. The standard will be effective for us in the first quarter of our fiscal year 2022, although early adoption is permitted. We do not expect that the adoption of this ASU will have a significant impact on our consolidated financial statements.

2. Business Combinations and Divestitures

S&P Global Inc. On November 29, 2020, we, S&P Global Inc., a New York corporation (“S&P Global”), and Sapphire Subsidiary, Ltd., a Bermuda exempted company limited by shares and a wholly-owned subsidiary of S&P Global (“Merger Sub”), entered into an agreement and plan of merger, which was subsequently amended on January 20, 2021, pursuant to which Merger Sub will merge with and into IHS Markit, with IHS Markit surviving such merger as a wholly-owned, direct subsidiary of S&P Global (the “merger”). The merger intends to bring together a unique portfolio of highly complementary assets, as well as innovation and technology capability to accelerate growth and enhance value creation. At the completion of the merger, each IHS Markit share that is issued and outstanding (other than dissenting shares and shares held by IHS Markit in treasury) will be converted into the right to receive 0.2838 fully paid and nonassessable shares of S&P Global common stock, and, if applicable, cash in lieu of fractional shares, without interest, and less any applicable withholding taxes. If the merger is completed, IHS Markit shares will cease to be listed on the New York Stock Exchange and IHS Markit shares will be deregistered under the Securities Exchange Act. The merger was approved by IHS Markit and S&P Global shareholders on March 11, 2021, but is still subject to antitrust and regulatory approval requirements, as well as other customary closing conditions.

CME joint venture. In January 2021, we signed an agreement to enter into a 50/50 joint venture arrangement with shared control with CME Group to combine our post-trade services into a new joint venture. The new company will include trade processing and risk mitigation operations and will incorporate CME’s optimization businesses (Traiana, TriOptima, and Reset) and our MarkitSERV business. Through the combination, we intend to increase operating efficiencies and be better able to service clients with enhanced platforms and services for OTC markets across interest rate, FX, equity, and credit asset classes. We expect the deal to close in the summer of 2021, subject to customary antitrust and regulatory approvals and other customary closing conditions. The following table provides the components of MarkitSERV assets and liabilities (previously included in our Financial Services segment) treated as held for sale as of February 28, 2021 (in millions):

Current assets	\$	34.8
Property and equipment		62.0
Intangible assets		397.6
Goodwill		362.6
Assets held for sale	\$	857.0
Deferred revenue	\$	(7.3)
Other current liabilities		(14.4)
Deferred income taxes		(78.1)
Liabilities held for sale	\$	(99.8)

Gen II. In December 2020, we acquired a 13 percent interest in Gen II Fund Services for \$150 million as part of a joint venture with General Atlantic and Hg Capital. We expect that this investment will drive revenue synergies between the joint venture and our Private Markets solutions across private credit, private equity, and data and analytics businesses. We are accounting for this investment using the equity method of accounting.

Cappitech. In December 2020, we acquired Cappitech Regulation Ltd., a Tel-Aviv based technology company providing regulatory reporting solutions on behalf of its clients to regulators, trade repositories, and affiliates, allowing customers to efficiently monitor the transaction reporting taking place across multiple jurisdictions. Cappitech’s advanced technology provides a scalable platform that we expect to combine with our other offerings in the Financial Services segment. We acquired Cappitech for upfront consideration of \$47 million, net of cash acquired, with an additional earnout based on a three-year performance period, which we currently estimate at \$57 million. The earnout liability is recorded within other accrued expenses and other liabilities in the condensed consolidated balance sheets. The purchase price allocation for this acquisition is still preliminary and may change upon completion of the determination of fair value of assets acquired and liabilities assumed.

Aerospace & Defense divestiture. In December 2019, we completed the sale of our Aerospace & Defense (“A&D”) business line to Montagu Private Equity for approximately \$466 million. The A&D assets were previously included in our Transportation segment. We recognized a gain of approximately \$372 million on the sale. The gain is included in other expense (income), net, in the condensed consolidated statements of operations.

automotiveMastermind equity interests acquisition. In September 2017, we acquired automotiveMastermind (“aM”), a leading provider of predictive analytics and marketing automation software for the automotive industry. We purchased approximately 78 percent of aM at that time. In exchange for the remaining 22 percent of aM, we issued equity interests in aM’s immediate parent holding company to aM’s founders and certain employees. We agreed to pay cash to acquire the interests over the next five years based on put/call provisions that tie the valuation to underlying adjusted EBITDA performance of aM. Since the purchase of the remaining 22 percent of the business requires continued service of the founders and employees, we are accounting for the arrangement as compensation expense that is remeasured based on changes in the fair value of the equity interests. We have classified this expense as acquisition-related costs within the condensed consolidated statements of operations and we have classified the associated accrued liability within other liabilities in the condensed consolidated balance sheets. In November 2019, the option holders exercised the put provision on 62.5 percent of their remaining 22 percent interest in the business for \$75.9 million in cash, which we paid in December 2019. We estimate the compensation expense associated with the remaining equity interests to be approximately \$60 to \$65 million, of which approximately \$40.7 million has been recognized as of February 28, 2021, with the remaining amount to be recognized through September 2022.

3. Revenue

We disaggregate our revenue by segment (as described in Note 16) and by transaction type according to the following categories:

- *Recurring fixed revenue* represents revenue generated from contracts specifying a relatively fixed fee for services delivered over the life of the contract. The initial term of these contracts is typically annual (with some longer-term arrangements) and non-cancellable for the term of the subscription, and may contain provisions for minimum monthly payments. The fixed fee is typically paid annually or more periodically in advance. These contracts typically consist of subscriptions to our various information offerings and software maintenance, which provide continuous access to our platforms and associated data over the contract term. Subscription revenue is usually recognized ratably over the contract term or, for term-based software license arrangements, annually on renewal.
- *Recurring variable revenue* represents revenue from contracts that specify a fee for services, which is typically not fixed. The variable fee is usually paid monthly in arrears. Recurring variable revenue is based on, among other factors, the number of trades processed, assets under management, or the number of positions we value, and revenue is recognized based on the specific factor used (e.g., for usage-based contracts, we recognize revenue in line with usage in the period). Most of these contracts have an initial term ranging from one to five years, with auto-renewal periods thereafter. Recurring variable revenue was derived entirely from the Financial Services segment for all periods presented.
- *Non-recurring revenue* represents consulting, services, single-document product sales, perpetual license sales and associated services, conferences and events, and advertising. Revenue for services and other non-recurring revenue is recognized upon completion of the associated performance obligation.

The following table presents our revenue by transaction type (in millions):

	Three months ended February 28/29,	
	2021	2020
Recurring fixed revenue	\$ 825.6	\$ 804.1
Recurring variable revenue	172.9	146.8
Non-recurring revenue	121.4	129.9
Total revenue	\$ 1,119.9	\$ 1,080.8

Our customer contracts may include multiple performance obligations; for example, we typically sell software licenses with maintenance and other associated services. For these transactions, we recognize revenue based on the relative fair value to the customer of each performance obligation as each performance obligation is completed.

We record a receivable when a customer is billed or when revenue is recognized prior to billing a customer. Contract assets include unbilled amounts for multi-year customer contracts where payment is not yet due and where services have been provided up-front but have not yet been billed. Contract assets were approximately \$11.4 million as of February 28, 2021 and \$19.3 million as of November 30, 2020, and are recorded in accounts receivable, net, in the condensed consolidated balance sheets.

Contract liabilities primarily include our obligations to transfer goods or services for which we have received consideration (or an amount of consideration is due) from the customer. Billings represent amounts that were paid in advance or due from customers. We record our contract liabilities as deferred revenue in the condensed consolidated balance sheets.

The following table provides a reconciliation of our contract liabilities as of February 28, 2021 (in millions):

Balance at November 30, 2020	\$	886.2
Billings		1,016.6
Revenue recognized		(845.7)
Divestiture activity		(7.3)
Balance at February 28, 2021	\$	<u>1,049.8</u>

We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to exceed one year. Certain sales commission programs are designed to promote the sale of products and services to new customers, and we therefore defer the incremental costs related to these programs over the expected customer life related to those products underlying the contracts. We record these expenses as selling, general and administrative expense within the condensed consolidated statements of operations.

4. Leases

We utilize operating leases for our various workplaces worldwide, and we also utilize operating leases for our data centers. These leases have remaining terms ranging from one to 12 years, many of which include renewal and early termination options. As of February 28, 2021, we have not considered extension and early termination options in our calculation of the right-of-use (“ROU”) assets and lease liabilities because we do not believe that it is reasonably certain that we will exercise those options. We do not have any significant finance leases.

We determine if an arrangement is a lease at inception. We consider any contract where there is an identified asset that we have the right to control in determining whether the contract contains a lease. ROU assets represent our right to use the underlying assets for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As our operating leases do not provide an implicit rate, we use an incremental borrowing rate based on the information available on the commencement date in determining the present value of lease payments. We calculate our incremental borrowing rates by extrapolating our current unsecured bond portfolio across the maturity ladder and adjusting the resultant corporate rate for the estimated spread for a secured borrowing and for foreign currencies, as appropriate. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Operating lease transactions are included in operating lease right-of-use assets, net, and current and non-current operating lease liabilities in the condensed consolidated balance sheets.

The following table presents lease cost, cash paid for amounts included in the measurement of lease liabilities, the weighted-average remaining lease term, and the weighted-average discount rate for our operating leases for the three months ended February 28, 2021 and February 29, 2020 (in millions):

	Three months ended February 28/29,	
	2021	2020
Lease cost:		
Operating lease cost	\$ 14.9	\$ 18.9
Variable lease cost	\$ 2.0	\$ 1.7
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	\$ 17.8	\$ 15.8
As of February 28, 2021:		
Weighted-average remaining lease term	7.8 years	
Weighted-average discount rate	1.9 %	

As of February 28, 2021, maturities of operating lease liabilities under non-cancellable arrangements were as follows (in millions):

Year	Amount
Remainder of 2021	\$ 53.5
2022	59.9
2023	50.3
2024	44.9
2025	38.3
Thereafter	135.4
Total future minimum operating lease payments	382.3
Imputed interest	(27.3)
Total operating lease liability	\$ 355.0

5. Intangible Assets

The following table presents details of our intangible assets, other than goodwill, as of February 28, 2021 and November 30, 2020 (in millions):

	As of February 28, 2021			As of November 30, 2020		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization:						
Customer relationships	\$ 3,226.8	\$ (799.9)	\$ 2,426.9	\$ 3,507.0	\$ (805.1)	\$ 2,701.9
Developed technology	849.8	(262.5)	587.3	965.9	(290.1)	675.8
Information databases	600.4	(383.9)	216.5	597.1	(368.2)	228.9
Trademarks	491.9	(273.1)	218.8	490.2	(258.6)	231.6
Developed computer software	69.3	(65.0)	4.3	68.9	(62.9)	6.0
Other	6.9	(3.8)	3.1	4.1	(2.2)	1.9
Total intangible assets	\$ 5,245.1	\$ (1,788.2)	\$ 3,456.9	\$ 5,633.2	\$ (1,787.1)	\$ 3,846.1

Intangible assets amortization expense was \$95.5 million for the three months ended February 28, 2021, compared to \$94.2 million for the three months ended February 29, 2020. The following table presents the estimated future amortization expense related to intangible assets held as of February 28, 2021 (in millions):

Year	Amount
Remainder of 2021	\$ 270.7
2022	\$ 345.7
2023	\$ 333.0
2024	\$ 313.4
2025	\$ 283.6
Thereafter	\$ 1,910.5

Goodwill, gross intangible assets, and net intangible assets are all subject to foreign currency translation effects. The change in net intangible assets from November 30, 2020 to February 28, 2021 was primarily due to current year amortization and the reclassification of MarkitSERV intangible assets to held-for-sale, as well as foreign currency translation effects.

6. Debt

The following table summarizes total indebtedness, including unamortized premiums, as of February 28, 2021 and November 30, 2020 (in millions):

	Maturity Date	February 28, 2021		November 30, 2020	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Credit Facilities:					
2019 revolving facility	November 2024	\$ 227.0	227.0	\$ 17.0	\$ 17.0
2019 credit agreement	April 2021	250.0	250.0	250.0	250.0
Senior Unsecured Notes:					
5.00% senior notes due 2022	November 1, 2022	748.2	794.1	748.2	802.6
4.125% senior notes due 2023	August 1, 2023	499.3	541.2	499.2	545.2
3.625% senior notes due 2024	May 1, 2024	399.2	433.6	399.3	436.8
4.75% senior notes due 2025	February 15, 2025	809.2	903.0	809.7	916.2
4.00% senior notes due 2026	March 1, 2026	500.0	557.4	500.0	573.9
4.75% senior notes due 2028	August 1, 2028	747.9	889.2	747.9	906.8
4.25% senior notes due 2029	May 1, 2029	970.9	1,100.6	971.4	1,135.5
Debt issuance costs		(36.2)		(38.5)	
Finance leases		5.3		5.6	
Total debt		\$ 5,120.8		\$ 4,909.8	
Current portion		(478.1)		(268.1)	
Total long-term debt		\$ 4,642.7		\$ 4,641.7	

2019 revolving facility. On November 29, 2019, we entered into a \$1.25 billion senior unsecured revolving credit agreement (“2019 revolving facility”). Subject to certain conditions, the 2019 revolving facility may be expanded by up to an aggregate of \$750 million in additional commitments. Borrowings under the 2019 revolving facility mature in November 2024. The interest rates for borrowings under the 2019 revolving facility are the applicable LIBOR plus a spread of 1.00 percent to 1.625 percent, depending upon our corporate credit rating. A commitment fee on any unused balance is payable periodically and ranges from 0.10 percent to 0.25 percent based upon our corporate credit rating. We had approximately \$1.3 million of outstanding letters of credit under the 2019 revolving facility as of February 28, 2021, which reduced the available borrowing under the facility by an equivalent amount.

2019 credit agreement. In September 2019, we entered into a 364-day credit agreement (the “2019 credit agreement”) for a term loan credit facility in an aggregate principal amount of \$250.0 million. In April 2020, we amended the 2019 credit agreement to extend the term through April 2021. The interest rate for borrowing under the 2019 credit agreement is the applicable LIBOR plus a spread of 1.00 percent.

The 2019 revolving facility and the 2019 credit agreement are subject to certain financial and other covenants, including a maximum Leverage Ratio and a minimum Interest Coverage Ratio, which is defined as the ratio of Consolidated EBITDA to Consolidated Interest Expense, as such terms are defined in the agreements.

As of February 28, 2021, we had approximately \$227.0 million of outstanding borrowings under the 2019 revolving facility at a current annual interest rate of 1.36 percent and \$250.0 million of outstanding borrowings under the 2019 credit agreement at a current weighted average annual interest rate of 1.14 percent.

Senior Unsecured Notes. All of our senior unsecured notes (“Senior Notes”) are unsecured and bear interest at a fixed rate payable semiannually. The Senior Notes were issued in registered offerings under the Securities Act or in offerings not subject to the registration requirements of the Securities Act, and all the Senior Notes have been admitted for trading to the official list of The International Stock Exchange in the Channel Islands. The indentures governing the Senior Notes all provide that, at the option of the respective holders of the Senior Notes, we may be required to purchase all or a portion of such Senior Notes upon occurrence of a change of control triggering event as defined in the respective indentures, at a price equal to 101 percent of the principal amount thereof, plus accrued and unpaid interest to the date of purchase. All the indentures also contain (i) covenants that limit our ability to, among other things, incur or create liens and enter into sale and leaseback transactions, (ii) covenants that limit our ability to consolidate or merge with another entity or to sell all or substantially all of our assets to another entity, and (iii) customary default provisions.

As of February 28, 2021, we were in compliance with all of our debt covenants. We have classified short-term debt based on scheduled loan payments and intended repayments on our revolving facility based on expected cash availability over the next 12 months.

The carrying value of our variable rate debt instruments approximate their fair value because of the variable interest rates associated with those instruments. The fair values of the senior notes were measured using observable inputs in markets that are not active; consequently, we have classified those notes within Level 2 of the fair value hierarchy.

7. Derivatives

Our business is exposed to various market risks, primarily foreign currency risk. We utilize derivative instruments to help us manage this risk. We do not hold or issue derivatives for speculative purposes.

To mitigate foreign currency exposure, we utilize short-term foreign currency forward contracts that manage market risks associated with fluctuations in balances that are denominated in currencies other than the local functional currency. We account for these forward contracts at fair value and recognize the associated realized and unrealized gains and losses in other expense (income), net, since we have not designated these contracts as hedges for accounting purposes. The notional amount of these outstanding foreign currency forward contracts was \$418.7 million and \$342.3 million as of February 28, 2021 and November 30, 2020, respectively.

Since our derivative instruments are not listed on an exchange, we have evaluated fair value by reference to similar transactions in active markets; consequently, we have classified all of our derivative instruments within Level 2 of the fair value measurement hierarchy. As of February 28, 2021, and November 30, 2020, we had assets of \$2.1 million and \$2.5 million, respectively, which were classified within other current assets, and we had liabilities of \$0.6 million and \$0.4 million, respectively, which were classified within other accrued expenses and other liabilities.

8. Restructuring and Impairment Charges

The following table provides a reconciliation of our restructuring liability, recorded in other accrued expenses, as of February 28, 2021 (in millions):

	Employee Severance and Other Termination Benefits	Contract Termination and Other Costs	Total
Balance at November 30, 2020	\$ 54.3	\$ 10.8	\$ 65.1
Add: Restructuring costs incurred	1.3	(0.2)	1.1
Revision to prior estimates	(1.2)	(0.2)	(1.4)
Less: Amount paid	(22.2)	(1.1)	(23.3)
Balance at February 28, 2021	<u>\$ 32.2</u>	<u>\$ 9.3</u>	<u>\$ 41.5</u>

As of February 28, 2021, approximately \$12.0 million of the remaining restructuring liability was in Resources, \$5.8 million in Transportation, \$15.6 million in Shared Services, \$4.8 million in Financial Services, and the remainder in CMS.

As part of our effort to moderate the impact of the COVID-19 pandemic, we continue to evaluate our office facilities to determine where we can exit, consolidate, or otherwise optimize our use of office space throughout the company. For the three months ended February 28, 2021, we recorded approximately \$1.3 million of impairment charges.

9. Acquisition-Related Costs

During the three months ended February 28, 2021, we incurred approximately \$13.1 million in costs associated with acquisitions and divestitures, primarily related to legal, consulting, and other professional services associated with recently announced merger and divestiture activities, as well as aM acquisition-related performance compensation.

The following table provides a reconciliation of the acquisition-related costs accrued liability, recorded in other accrued expenses and other liabilities, as of February 28, 2021 (in millions):

	Contract Termination Costs	Other	Total
Balance at November 30, 2020	\$ 1.3	\$ 67.0	\$ 68.3
Add: Costs incurred	—	13.1	13.1
Less: Amount paid	(0.1)	(17.7)	(17.8)
Balance at February 28, 2021	<u>\$ 1.2</u>	<u>\$ 62.4</u>	<u>\$ 63.6</u>

As of February 28, 2021, approximately \$40.7 million of the remaining liability is associated with the aM acquisition-related performance compensation liability described in Note 2, with the remainder primarily related to the merger and to acquisition and divestiture activity within the Financial Services segment.

10. Stock-Based Compensation

Stock-based compensation expense for the three months ended February 28, 2021 and February 29, 2020 was as follows (in millions):

	Three months ended February 28/29,	
	2021	2020
Cost of revenue	\$ 20.4	\$ 24.0
Selling, general and administrative	45.4	58.6
Total stock-based compensation expense	<u>\$ 65.8</u>	<u>\$ 82.6</u>

No stock-based compensation cost was capitalized during the three months ended February 28, 2021 and February 29, 2020.

As of February 28, 2021, there was \$333.3 million of unrecognized stock-based compensation cost, adjusted for estimated forfeitures, related to unvested stock-based awards that will be recognized over a weighted-average period of approximately 2.1 years. Total unrecognized stock-based compensation cost will be adjusted for future changes in estimated forfeitures and expected performance achievement.

Restricted Stock Units (RSUs). The following table summarizes RSU activity, including awards with performance and market conditions, during the three months ended February 28, 2021:

	Shares	Weighted- Average Grant Date Fair Value
	(in millions)	
Balance at November 30, 2020	6.8	\$ 61.57
Granted	2.2	\$ 89.71
Vested	(3.2)	\$ 54.15
Balance at February 28, 2021	<u>5.8</u>	<u>\$ 76.35</u>

The total fair value of RSUs that vested during the three months ended February 28, 2021 was \$285.2 million.

11. Income Taxes

Our effective tax rate is estimated based upon the effective tax rate expected to be applicable for the full year.

Our effective tax rate for the three months ended February 28, 2021 was 17 percent, compared to 1 percent for the three months ended February 29, 2020. The low 2020 tax rate is primarily due to excess tax benefits on stock-based compensation of approximately \$64 million and the tax-efficient divestiture of the A&D business line (U.K. share sales are exempt from tax) of approximately \$29 million. The 2021 tax rate includes excess tax benefits on stock-based compensation of approximately \$23 million, partially offset by U.S. minimum tax of approximately \$19 million.

12. Pensions and Postretirement Benefits

During the first quarter of 2020, we incurred settlement expense of approximately \$11.6 million related to lump-sum distributions to participants in our U.S. Retirement Income Plan (“U.S. RIP”), Supplemental Income Plan, and U.K. Retirement Income Plan (“U.K. RIP”) plans. We also converted to termination accounting for our U.K. RIP at the end of the first quarter, which resulted in an expense recognition of actuarial loss in excess of corridor of approximately \$9.6 million.

During the second quarter of 2020, we transferred our U.S. RIP annuity liability and our U.K. RIP liability to third-party insurers, which resulted in additional settlement expense of approximately \$8.9 million.

13. Commitments and Contingencies

From time to time, in the ordinary course of our business, we are involved in various legal, regulatory or administrative proceedings, lawsuits, government investigations, and other claims, including employment, commercial, intellectual property, and environmental, safety, and health matters. In addition, we may receive routine requests for information from governmental agencies in connection with their regulatory or investigatory authority or from private third parties pursuant to valid court orders or subpoenas. We review such proceedings, lawsuits, investigations, claims, and requests for information and take appropriate action as necessary. At the present time, we can give no assurance as to the outcome of any such pending proceedings, lawsuits, investigations, claims, or requests for information and we are unable to determine the ultimate resolution of or provide a reasonable estimate of the range of possible loss attributable to these matters or the effect they may have on us. However, we do not expect the outcome of such proceedings, lawsuits, claims, or requests for information to have a material adverse effect on our results of operations or financial condition. We have defended and will continue to vigorously defend ourselves in all matters.

As of March 22, 2021, nine complaints had been filed by purported shareholders of IHS Markit or S&P Global relating to our proposed merger with S&P Global. Eight of these actions have been voluntarily dismissed. The pending action is captioned Adam Snitkoff v. Marco Alvera, et al., Case No. 650576/2021 (N.Y. Sup. Ct.), filed in the Supreme Court of the State of New York, County of New York (the “Snitkoff Action”). The complaint in the Snitkoff Action names S&P Global and the members of the S&P board as well as IHS Markit as defendants, and it generally asserts state common law claims for breaches of fiduciary duty against the members of the S&P Global board, failure to disclose certain information in the version of the joint proxy statement/prospectus filed by S&P Global with the SEC on January 22, 2021 against all defendants, and aiding and abetting breaches of fiduciary duty against IHS Markit. The Snitkoff Action complaint seeks, among other relief, declaratory relief, an order requiring corrective disclosures, compensatory or rescissory damages, and attorneys’ and experts’ fees. The plaintiff in the Snitkoff Action has filed a stipulation of discontinuance with prejudice following the issuance of certain additional disclosures issued by S&P Global, which is pending court approval. IHS Markit believes the claims asserted in the complaint are without merit.

14. Common Shares and Earnings per Share

Weighted-average shares outstanding for the three months ended February 28, 2021 and February 29, 2020 were calculated as follows (in millions):

	Three months ended February 28/29,	
	2021	2020
Weighted-average shares outstanding:		
Shares used in basic EPS calculation	397.4	395.7
Effect of dilutive securities:		
RSUs/RSAs	3.1	3.8
Stock options	0.3	4.6
Shares used in diluted EPS calculation	400.8	404.1

Share Repurchase Programs

In October 2019, our Board of Directors authorized a share repurchase program of up to \$2.5 billion of IHS Markit common shares from October 17, 2019 through November 30, 2021, to be funded using our existing cash, cash equivalents, marketable securities, and future cash flows, or through the incurrence of short- or long-term indebtedness, at management's discretion. This October 2019 share repurchase program does not obligate us to repurchase any set dollar amount or number of shares and may be modified, suspended, or terminated at any time without prior notice. Under the repurchase program, we are authorized to repurchase our common shares on the open market from time to time, in privately negotiated transactions, or through accelerated share repurchase agreements, subject to availability of common shares, price, market conditions, alternative uses of capital, and applicable regulatory requirements, at management's discretion. As of February 28, 2021, we had \$1.6 billion remaining available to repurchase under the program. The merger agreement with S&P Global restricts our ability to purchase our shares and therefore our share repurchase program is currently suspended through November 2021, other than for the repurchase of shares associated with tax withholding requirements for share-based compensation.

In August 2016, our Board of Directors separately authorized, subject to applicable regulatory requirements, the repurchase of our common shares surrendered by employees in an amount equal to the exercise price, if applicable, and statutory tax liability associated with the vesting of their equity awards, for which we pay the statutory tax on behalf of the employee and forgo receipt of the exercise price of the award from the employee, if applicable.

In December 2019, we funded a \$500 million accelerated share repurchase ("ASR") agreement, which terminated in February 2020. We received a total of 6.491 million shares in connection with the ASR.

Dividends

Our Board of Directors approved a quarterly cash dividend of \$0.20 per share during the first quarter of 2021, compared to a quarterly cash dividend of \$0.17 per share during the first quarter of 2020.

Employee Benefit Trust (EBT) Shares

We have approximately 25.2 million outstanding common shares that are held by the Markit Group Holdings Limited Employee Benefit Trust. The trust is under our control using the variable interest entity model criteria; consequently, we have consolidated and classified the trust shares as treasury shares within our condensed consolidated balance sheets.

15. Accumulated Other Comprehensive Income (Loss)

The following table summarizes the changes in AOCI by component (net of tax) for the three months ended February 29, 2020 (in millions):

	Foreign currency translation	Net pension and OPEB liability	Unrealized losses on hedging activities	Total
Balance at November 30, 2019	\$ (242.3)	\$ (15.6)	\$ (3.7)	\$ (261.6)
Other comprehensive loss before reclassifications	(35.6)	—	(0.7)	(36.3)
Reclassifications from AOCI to income	—	4.9	0.8	5.7
Balance at February 29, 2020	\$ (277.9)	\$ (10.7)	\$ (3.6)	\$ (292.2)

The following table summarizes the changes in AOCI by component (net of tax) for the three months ended February 28, 2021 (in millions):

	Foreign currency translation	Net pension and OPEB liability	Unrealized losses on hedging activities	Total
Balance at November 30, 2020	\$ (107.9)	\$ —	\$ —	\$ (107.9)
Other comprehensive income	153.7	—	—	153.7
Balance at February 28, 2021	\$ 45.8	\$ —	\$ —	\$ 45.8

16. Segment Information

We prepare our financial reports and analyze our business results within our four operating segments: Financial Services, Transportation, Resources, and CMS. We evaluate revenue performance at the segment level and by transaction type. No single customer accounted for 10 percent or more of our total revenue for the three months ended February 28, 2021 and February 29, 2020. There are no material inter-segment revenues for any period presented. Our shared services function includes corporate transactions that are not allocated to the reportable segments, including net periodic pension and postretirement expense, as well as certain corporate functions such as investor relations, procurement, corporate development, and portions of finance, legal, and marketing.

We evaluate segment operating performance at the Adjusted EBITDA level for each of our four segments. We define Adjusted EBITDA as net income before net interest, provision for income taxes, depreciation and amortization, stock-based compensation expense, restructuring charges, acquisition-related costs and performance compensation, exceptional litigation, net other gains and losses, pension mark-to-market and settlement expense, the impact of joint ventures and noncontrolling interests, and discontinued operations. Information about the operations of our four segments is set forth below (in millions).

	Three months ended February 28/29,	
	2021	2020
Revenue		
Financial Services	\$ 484.5	\$ 436.0
Transportation	311.7	297.2
Resources	202.7	225.6
CMS	121.0	122.0
Total revenue	<u>\$ 1,119.9</u>	<u>\$ 1,080.8</u>
Adjusted EBITDA		
Financial Services	\$ 232.9	\$ 205.4
Transportation	146.7	118.0
Resources	74.2	90.2
CMS	26.1	29.4
Shared services	(13.1)	(11.4)
Total Adjusted EBITDA	<u>\$ 466.8</u>	<u>\$ 431.6</u>
Reconciliation to the condensed consolidated statements of operations:		
Interest income	0.1	0.4
Interest expense	(55.5)	(61.2)
Provision for income taxes	(30.3)	(4.3)
Depreciation	(56.1)	(51.1)
Amortization related to acquired intangible assets	(95.5)	(94.2)
Stock-based compensation expense	(65.8)	(82.6)
Restructuring and impairment charges	(1.0)	(4.5)
Acquisition-related costs	(9.2)	(0.7)
Acquisition-related performance compensation	(3.9)	(0.2)
Gain on sale of assets	0.1	372.3
Pension mark-to-market and settlement expense	—	(21.2)
Share of joint venture results not attributable to Adjusted EBITDA	(0.7)	(0.3)
Adjusted EBITDA attributable to noncontrolling interest	0.3	1.0
Net income attributable to IHS Markit Ltd.	<u>\$ 149.3</u>	<u>\$ 485.0</u>

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is intended to help the reader understand the financial condition and results of operations of IHS Markit Ltd. (“IHS Markit,” “we,” “us,” or “our”) as of and for the periods presented. The following discussion should be read in conjunction with our 2020 Annual Report on Form 10-K and the Condensed Consolidated Financial Statements and accompanying notes included in this Quarterly Report on Form 10-Q. References to 2021 are to our fiscal year 2021, which began on December 1, 2020 and ends on November 30, 2021.

Executive Summary

Business Overview

We are a world leader in critical information, analytics, and solutions for the major industries and markets that drive economies worldwide. We deliver next-generation information, analytics, and solutions to customers in business, finance, and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. We have more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world’s leading financial institutions. Headquartered in London, we are committed to sustainable, profitable growth.

To best serve our customers, we are organized into the following four industry-focused segments:

- *Financial Services*, which includes our financial Information, Solutions, and Processing product offerings;
- *Transportation*, which includes our Automotive and Maritime & Trade product offerings;
- *Resources*, which includes our Upstream and Downstream product offerings; and
- *Consolidated Markets & Solutions*, which includes our Product Design, Economics & Country Risk, and TMT benchmarking product offerings.

Our recurring revenue streams represented approximately 89 percent of our total revenue for the three months ended February 28, 2021. Our recurring revenue is generally stable and predictable, and we have long-term relationships with many of our customers.

For the three months ended February 28, 2021, we focused our efforts on the following actions:

- *Increase in geographic, product, and customer penetration.* We believe there are continued opportunities to add new customers and to increase the use of our products and services by existing customers. We plan to add new customers and build our relationships with existing customers by leveraging our existing sales channels, broad product portfolio, global footprint, and industry expertise to anticipate and respond to the changing demands of our end markets.
- *Introduce innovative offerings and enhancements.* In recent years, we have launched several new product offerings addressing a wide array of customer needs, and we expect to continue innovating using our existing data sets and industry expertise, converting core information to higher value advanced analytics. We also intend to continue to invest across our business to increase our customer value proposition.
- *Improve efficiency, productivity, and financial strength.* We are striving to strengthen our operational excellence by consistently improving productivity and efficiency, particularly as we work through the effects of the COVID-19 pandemic. We also continue to build on our strong financial foundation, balancing capital allocation between returning capital to shareholders (targeting an annual capital return of 50 to 75 percent of our annual capital capacity through share repurchases and cash dividends) and completing mergers and acquisitions, focused primarily on targeted transactions in our core end markets that will allow us to continue to build out our strategic position. We intend to continue to operate at the high end of our capital policy target leverage ratio of 2.0-3.0x.

On November 29, 2020, we, S&P Global Inc., and Merger Sub entered into an agreement and plan of merger, which was subsequently amended on January 20, 2021, pursuant to which Merger Sub will merge with and into IHS Markit, with IHS Markit surviving such merger as a wholly-owned, direct subsidiary of S&P Global. The merger intends to bring together a unique portfolio of highly complementary assets, as well as innovation and technology capability to accelerate growth and enhance value creation. At the completion of the merger, each IHS Markit share that is issued and outstanding (other than dissenting shares and shares held by IHS Markit in treasury) will be converted into the right to receive 0.2838 fully paid and nonassessable shares of S&P Global common stock, and, if applicable, cash in lieu of fractional shares, without interest, and less any applicable withholding taxes. If the merger is completed, IHS Markit shares will cease to be listed on the New York Stock Exchange and IHS Markit shares will be deregistered under the Securities Exchange Act. The merger was approved by IHS Markit and S&P Global shareholders on March 11, 2021, but is still subject to antitrust and regulatory approval requirements, as well as other customary closing conditions.

Key Performance Indicators

We believe that revenue growth, Adjusted EBITDA (both in dollars and margin), and free cash flow are key financial measures of our success. Adjusted EBITDA and free cash flow are financial measures that are not prepared in accordance with U.S. generally accepted accounting principles (“non-GAAP”).

Revenue growth. We review year-over-year revenue growth in our segments as a key measure of our success in addressing customer needs. We measure revenue growth in terms of organic, acquisitive, and foreign currency impacts. We define these components as follows:

- *Organic* – We define organic revenue growth as total revenue growth from continuing operations for all factors other than acquisitions and foreign currency movements. We drive this type of revenue growth through value realization (pricing), expanding wallet share of existing customers through up-selling and cross-selling efforts, securing new customer business, and the sale of new or enhanced product offerings.
- *Acquisitive* – We define acquisitive revenue as the revenue generated from acquired products and services from the date of acquisition to the first anniversary date of that acquisition. This type of growth comes as a result of our strategy to purchase, integrate, and leverage the value of assets we acquire. We also include the impact of divestitures in this metric.
- *Foreign currency* – We define the foreign currency impact on revenue as the difference between current revenue at current exchange rates and current revenue at the corresponding prior period exchange rates. Due to the significance of revenue transacted in foreign currencies, we believe that it is important to measure the impact of foreign currency movements on revenue.

In addition to measuring and reporting revenue by segment, we also measure and report revenue by transaction type. Understanding revenue by transaction type helps us identify and address broad changes in product mix. We summarize our transaction type revenue into the following three categories:

- *Recurring fixed revenue* represents revenue generated from contracts specifying a relatively fixed fee for services delivered over the life of the contract. The initial term of these contracts is typically annual (with some longer-term arrangements) and non-cancellable for the term of the subscription, and may contain provisions for minimum monthly payments. The fixed fee is typically paid annually or more periodically in advance. These contracts typically consist of subscriptions to our various information offerings and software maintenance, which provide continuous access to our platforms and associated data over the contract term. Subscription revenue is usually recognized ratably over the contract term or, for term-based software license arrangements, annually on renewal.
- *Recurring variable revenue* represents revenue from contracts that specify a fee for services, which is typically not fixed. The variable fee is usually paid monthly in arrears. Recurring variable revenue is based on, among other factors, the number of trades processed, assets under management, or the number of positions we value. Most of these contracts have an initial term ranging from one to five years, with auto-renewal periods thereafter. Recurring variable revenue was derived entirely from the Financial Services segment for all periods presented.
- *Non-recurring revenue* represents consulting, services, single-document product sales, perpetual license sales and associated services, conferences and events, and advertising. Our non-recurring products and services are an important part of our business because they complement our recurring business in creating strong and comprehensive customer relationships.

Non-GAAP measures. We use non-GAAP financial measures such as EBITDA, Adjusted EBITDA, and free cash flow in our operational and financial decision-making. We believe that such measures allow us to focus on what we deem to be more reliable indicators of ongoing operating performance (Adjusted EBITDA) and our ability to generate cash flow from operations (free cash flow). We also believe that investors may find these non-GAAP financial measures useful for the same reasons, although we caution readers that non-GAAP financial measures are not a substitute for U.S. GAAP financial measures or disclosures. None of these non-GAAP financial measures are recognized terms under U.S. GAAP and do not purport to be an alternative to net income or operating cash flow as an indicator of operating performance or any other U.S. GAAP measure. Throughout this MD&A, we provide reconciliations of these non-GAAP financial measures to the most directly comparable U.S. GAAP measures.

- *EBITDA and Adjusted EBITDA.* EBITDA and Adjusted EBITDA are used by securities analysts, investors, and other interested parties to assess our operating performance. For example, a measure similar to Adjusted EBITDA is required by the lenders under our revolving credit agreement. We define EBITDA as net income plus or minus net interest, plus provision for income taxes, depreciation, and amortization. Our definition of Adjusted EBITDA further excludes primarily non-cash items and other items that we do not consider to be useful in assessing our operating performance (e.g., stock-based compensation expense, restructuring charges, acquisition-related costs and performance compensation, exceptional litigation, net other gains and losses, pension mark-to-market, settlement, and other expense, the impact of joint ventures and noncontrolling interests, and discontinued operations).
- *Free Cash Flow.* We define free cash flow as net cash provided by operating activities less payments for acquisition-related performance compensation and capital expenditures.

Non-GAAP measures are frequently used by securities analysts, investors, and other interested parties in their evaluation of companies comparable to us, many of which present non-GAAP measures when reporting their results. These measures can be useful in evaluating our performance against our peer companies because we believe the measures provide users with valuable insight into key components of U.S. GAAP financial disclosures. For example, a company with higher U.S. GAAP net income may not be as appealing to investors if its net income is more heavily comprised of gains on asset sales. Likewise, excluding the effects of interest income and expense moderates the impact of a company’s capital structure on its performance. However, non-GAAP measures have limitations as an analytical tool. Because not all companies use identical calculations, our presentation of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. They are not presentations made in accordance with U.S. GAAP, are not measures of financial condition or liquidity, and should not be considered as an alternative to profit or loss for the period determined in accordance with U.S. GAAP or operating cash flows determined in accordance with U.S. GAAP. As a result, these performance measures should not be considered in isolation from, or as a substitute analysis for, results of operations as determined in accordance with U.S. GAAP.

Global Operations

Approximately 40 percent of our revenue is transacted outside of the United States; however, only about 20 percent of our revenue is transacted in currencies other than the U.S. dollar. As a result, a strengthening U.S. dollar relative to certain currencies has historically resulted in a negative impact on our revenue; conversely, a weakening U.S. dollar has historically resulted in a positive impact on our revenue. Our largest foreign currency exposures for revenue are the British Pound, Euro, and Canadian Dollar.

Results of Operations

Total Revenue

Revenue for the three months ended February 28, 2021, increased 4 percent compared to the three months ended February 29, 2020. The table below displays the percentage change in revenue due to organic, acquisitive, and foreign currency factors when comparing the three months ended February 28, 2021 to the three months ended February 29, 2020.

	Change in Total Revenue		
	Organic	Acquisitive	Foreign Currency
First quarter 2021 vs. first quarter 2020	3 %	— %	1 %

Organic revenue growth for the three months ended February 28, 2021, compared to the three months ended February 29, 2020, was led by strong performance in the Financial Services segment and recovering performance in the Transportation segment, partially offset by negative organic revenue growth in the Resources and CMS segments.

Foreign currency had a slight positive effect on revenue growth for the three months ended February 28, 2021, compared to the three months ended February 29, 2020. Due to the extent of our global operations, foreign currency movements could positively or negatively affect our results in the future.

Revenue by Segment

(In millions, except percentages)	Three months ended February 28/29,		Percentage Change
	2021	2020	
Revenue:			
Financial Services	\$ 484.5	\$ 436.0	11 %
Transportation	311.7	297.2	5 %
Resources	202.7	225.6	(10)%
CMS	121.0	122.0	(1)%
Total revenue	\$ 1,119.9	\$ 1,080.8	4 %

The percentage change in revenue for each segment was due to the factors described in the following table.

	Change in revenue		
	First quarter 2021 vs. First quarter 2020		
	Organic	Acquisitive	Foreign Currency
Financial Services	10 %	— %	1 %
Transportation	4 %	— %	1 %
Resources	(10)%	— %	— %
CMS	(1)%	(1)%	1 %

Financial Services revenue for the three months ended February 28, 2021, compared to the three months ended February 29, 2020, experienced broad-based organic growth. Within our Information product offerings, organic revenue growth was led by increased demand for our pricing, reference data, and valuation offerings, as well as continued growth in our SFTR reporting platform and indices offerings. Within our Solutions product offerings, increased capital market issuance and greater adoption of our corporate actions, private markets, and regulatory and compliance offerings were all significant contributors to very strong organic revenue growth. Within our Processing product offerings, organic revenue growth increased primarily due to higher loan settlement activities.

Transportation revenue for the three months ended February 28, 2021, compared to the three months ended February 29, 2020, continues to recover across the segment at varying speeds. The dealer-facing portion of our automotive offerings experienced strong growth across CARFAX and automotiveMastermind, with revenue growth rates approaching pre-pandemic levels. Other parts of our automotive offerings, such as products supporting OEMs, parts manufacturers, and banking and insurance clients are also recovering, albeit more gradually. In particular, one-time revenues related to marketing and recall activities remain down on a year-over-year basis. Our automotive product offerings continue to provide the largest contribution to Transportation revenue, and our diversification in used and new car product offerings allows for balanced opportunities for growth.

Resources revenue for the three months ended February 28, 2021, compared to the three months ended February 29, 2020, declined, with our upstream product offerings continuing to be negatively impacted by constrained industry capital expenditure spend. We believe our Resources annual contract value (“ACV”), which represents the annualized value of recurring revenue contracts, has bottomed in the first quarter of 2021, and now expect it to slowly recover throughout the rest of 2021. ACV decreased \$7 million in the quarter and has declined 11 percent on a trailing annual basis.

CMS revenue for the three months ended February 28, 2021, compared to the three months ended February 29, 2020, was relatively flat.

Revenue by Transaction Type

(in millions, except percentages)	Three months ended February 28/29,		Percentage change	
	2021	2020	Total	Organic
Revenue:				
Recurring fixed	\$ 825.6	\$ 804.1	3 %	2 %
Recurring variable	172.9	146.8	18 %	17 %
Non-recurring	121.4	129.9	(7)%	(7)%
Total revenue	\$ 1,119.9	\$ 1,080.8	4 %	3 %
As a percent of total revenue:				
Recurring fixed	74 %	74 %		
Recurring variable	15 %	14 %		
Non-recurring	11 %	12 %		

Recurring fixed revenue organic growth increased 2 percent for the three months ended February 28, 2021, compared to the three months ended February 29, 2020, largely due to contributions from our Financial Services and Transportation recurring offerings, partially offset by declines in our Resources recurring offerings. Recurring variable revenue was composed entirely of Financial Services revenue, which experienced strong performance.

The non-recurring organic revenue decline for the three months ended February 28, 2021, compared to the three months ended February 29, 2020, was primarily driven by lower automotive recall activities, lower energy consulting activities, and lower transactional content purchases for Resources Upstream offerings and CMS Product Design offerings compared to the first quarter of 2020.

Operating Expenses

The following table shows our operating expenses and the associated percentages of revenue.

(In millions, except percentages)	Three months ended February 28/29,		Percentage Change
	2021	2020	
Operating expenses:			
Cost of revenue	\$ 415.2	\$ 415.8	— %
SG&A expense	302.2	316.2	(4)%
Total cost of revenue and SG&A expense	\$ 717.4	\$ 732.0	(2)%
Depreciation and amortization expense	\$ 151.6	\$ 145.3	4 %
As a percent of revenue:			
Total cost of revenue and SG&A expense	64 %	68 %	
Depreciation and amortization expense	14 %	13 %	

Cost of Revenue and SG&A Expense

In managing our business, we evaluate our costs by type (e.g., salaries and benefits, facilities, IT) rather than by income statement classification. The decreases in cost of revenue and SG&A expense were largely due to the execution of our cost reduction activities that we put in place at the onset of the COVID-19 pandemic.

Within our cost of revenue and SG&A expense, stock-based compensation expense decreased by approximately \$17 million for the three months ended February 28, 2021, compared to the three months ended February 29, 2020, which was largely due to lower employer tax impacts associated with the exercise of stock options in 2021.

Depreciation and Amortization Expense

For the three months ended February 28, 2021, compared to the three months ended February 29, 2020, depreciation and amortization expense increased on an absolute and percentage basis primarily because of capitalized software development investments.

Acquisition-Related Costs

Please refer to Note 9 to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for a discussion of costs associated with our integration and other acquisition-related activities. During the three months ended February 28, 2021, we recorded approximately \$13.1 million of direct and incremental costs associated with acquisition and divestiture activities.

Other Expense (Income), Net

Other income for the three months ended February 29, 2020 includes an approximate \$372 million gain on sale related to the A&D business line divestiture in December 2019. Please refer to Note 2 to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for additional discussion about the divestiture.

Segment Adjusted EBITDA

(In millions, except percentages)	Three months ended February 28/29,		Percentage Change
	2021	2020	
Adjusted EBITDA:			
Financial Services	\$ 232.9	\$ 205.4	13 %
Transportation	146.7	118.0	24 %
Resources	74.2	90.2	(18)%
CMS	26.1	29.4	(11)%
Shared services	(13.1)	(11.4)	
Total Adjusted EBITDA	\$ 466.8	\$ 431.6	8 %
As a percent of segment revenue:			
Financial Services	48 %	47 %	
Transportation	47 %	40 %	
Resources	37 %	40 %	
CMS	22 %	24 %	

For the three months ended February 28, 2021, compared to the three months ended February 29, 2020, Adjusted EBITDA increased primarily due to strong Financial Services revenue performance and improving Transportation revenue growth, as well as our continued cost containment efforts in the current COVID-19 pandemic environment. We continue to focus our efforts on organic revenue growth and cost management to improve overall margins. Financial Services segment Adjusted EBITDA and associated margin continued to increase because of strong organic revenue growth and investment in segment product offerings. The increase in Adjusted EBITDA for the Transportation segment was primarily due to organic revenue growth, although we expect slower growth through the rest of the year as we see more expense tied to revenue growth. Resources Adjusted EBITDA and associated margin decreased due to the organic revenue decline as a result of the COVID-19 pandemic, and the decrease in CMS Adjusted EBITDA and margin was driven primarily by mix shift, which we expect to improve during the year.

Provision for Income Taxes

Our effective tax rate is estimated based upon the effective tax rate expected to be applicable for the full year.

Our effective tax rate for the three months ended February 28, 2021 was 17 percent, compared to 1 percent for the three months ended February 29, 2020. The low 2020 tax rate is primarily due to excess tax benefits on stock-based compensation of approximately \$64 million and the tax-efficient divestiture of the A&D business line (U.K. share sales are exempt from tax) of approximately \$29 million. The 2021 tax rate includes excess tax benefits on stock-based compensation of approximately \$23 million, partially offset by U.S. minimum tax of approximately \$19 million.

EBITDA and Adjusted EBITDA (non-GAAP measures)

The following table provides reconciliations of our net income to EBITDA and Adjusted EBITDA for the three months ended February 28, 2021 and February 29, 2020.

(In millions, except percentages)	Three months ended February 28/29,		Percentage Change
	2021	2020	
Net income attributable to IHS Markit Ltd.	\$ 149.3	\$ 485.0	(69)%
Interest income	(0.1)	(0.4)	
Interest expense	55.5	61.2	
Provision for income taxes	30.3	4.3	
Depreciation	56.1	51.1	
Amortization	95.5	94.2	
EBITDA	\$ 386.6	\$ 695.4	(44)%
Stock-based compensation expense	65.8	82.6	
Restructuring and impairment charges	1.0	4.5	
Acquisition-related costs	9.2	0.7	
Acquisition-related performance compensation	3.9	0.2	
Gain on sale of assets	(0.1)	(372.3)	
Pension mark-to-market and settlement expense	—	21.2	
Share of joint venture results not attributable to Adjusted EBITDA	0.7	0.3	
Adjusted EBITDA attributable to noncontrolling interest	(0.3)	(1.0)	
Adjusted EBITDA	\$ 466.8	\$ 431.6	8 %
Adjusted EBITDA as a percentage of revenue	41.7 %	39.9 %	

Our Adjusted EBITDA dollar and margin performance for the three months ended February 28, 2021, compared to the three months ended February 29, 2020, increased primarily because of organic revenue growth without proportionate growth in expense as we continue to focus on cost management activities as a result of COVID-19 and the current economic environment.

Financial Condition

(In millions, except percentages)	As of February 28, 2021	As of November 30, 2020	Dollar change	Percentage change
Accounts receivable, net	\$ 981.9	\$ 891.7	\$ 90.2	10 %
Accrued compensation	\$ 95.9	\$ 206.1	\$ (110.2)	(53)%
Deferred revenue	\$ 1,049.8	\$ 886.2	\$ 163.6	18 %

The increases in accounts receivable and deferred revenue were due to increased billing activity in 2021. Accrued compensation decreased primarily due to the 2020 bonus payout made in the first quarter of 2021, partially offset by the current year accrual.

Liquidity and Capital Resources

As of February 28, 2021, we had cash and cash equivalents of \$172.0 million. Our principal sources of liquidity include cash generated by operating activities, cash and cash equivalents on the balance sheet, and amounts available under a revolving credit facility. We had approximately \$5.12 billion of debt as of February 28, 2021, consisting primarily of \$227.0 million of revolving facility debt, a \$250.0 million term loan, and \$4.67 billion of senior notes. As of February 28, 2021, we had approximately \$1.0 billion available under our revolving credit facility. Subject to certain exceptions, the merger agreement with S&P Global restricts our ability to borrow more than \$500 million in the aggregate without the prior consent of S&P Global. We do not believe this restriction will impact our liquidity to meet our ongoing working capital and capital expenditure needs.

Our interest expense for the three months ended February 28, 2021, compared to the three months ended February 29, 2020, decreased primarily because of lower floating interest rates in 2021 compared to the prior year, as well as decreased borrowings on our revolving facility debt.

Our Board of Directors approved a quarterly cash dividend of \$0.20 per share during the first quarter of 2021, compared to a quarterly cash dividend of \$0.17 per share during the first quarter of 2020. These dividends resulted in cash payments of \$79.3 million and \$67.7 million for the three months ended February 28, 2021, and February 29, 2020, respectively.

Our Board of Directors has authorized a share repurchase program of up to \$2.5 billion of IHS Markit common shares through November 30, 2021, to be funded using our existing cash, cash equivalents, marketable securities, and future cash flows, or through the incurrence of short- or long-term indebtedness, at management's discretion. This repurchase program does not obligate us to repurchase any set dollar amount or number of shares and may be modified, suspended, or terminated at any time without prior notice. Under this program, we are authorized to repurchase our common shares on the open market from time to time, in privately negotiated transactions, or through accelerated share repurchase agreements, subject to availability of common shares, price, market conditions, alternative uses of capital, and applicable regulatory requirements, at management's discretion. The merger agreement with S&P Global restricts our ability to purchase our shares and therefore our share repurchase program is currently suspended through November 2021, other than for the repurchase of shares associated with tax withholding requirements for share-based compensation.

Our Board of Directors has separately authorized, subject to applicable regulatory requirements, the repurchase of our common shares surrendered by employees in an amount equal to the exercise price, if applicable, and statutory tax liability associated with the vesting of their equity awards, for which we pay the statutory tax on behalf of the employee and forgo receipt of the exercise price of the award from the employee, if applicable. Such repurchases have been authorized in addition to the share repurchase program described above.

Based on our cash, debt, and cash flow positions, we believe that we will have sufficient liquidity to meet our ongoing working capital and capital expenditure needs. Our future capital requirements will depend on many factors, including the number and magnitude of future acquisitions, amount of share repurchases and dividends, the need for additional facilities or facility improvements, the timing and extent of spending to support product development efforts, information technology infrastructure investments, investments in our internal business applications, and the continued market acceptance of our offerings. Given current market conditions as a result of COVID-19, we are focused on maintaining higher levels of liquidity and capital structure flexibility. We maintain a solid balance sheet, investor grade rating, a well-positioned debt maturity ladder, and a strong diversified bank group. We expect to continue to operate within our capital policy target range of 2.0x-3.0x gross leverage.

Cash Flows

(In millions, except percentages)	Three months ended February 28/29,		Dollar change	Percentage change
	2021	2020		
Net cash provided by operating activities	\$ 244.5	\$ 119.5	\$ 125.0	105 %
Net cash (used in) provided by investing activities	\$ (263.8)	\$ 387.0	\$ (650.8)	(168)%
Net cash provided by (used in) financing activities	\$ 56.7	\$ (462.1)	\$ 518.8	(112)%

The increase in net cash provided by operating activities was primarily due to the comparative reduction in cash payments in the first quarter of 2021 for acquisition-related performance compensation associated with the aM acquisition described in Note 2, as well as growth in our Adjusted EBITDA.

The decrease in net cash provided by investing activities was primarily due to the sale of the A&D business line in the first quarter of 2020, partially offset by the current year acquisition of Cappitech and the investment in Gen II.

The increase in net cash provided by financing activities is primarily due to the decrease in share repurchases in the first quarter of 2021, compared to the first quarter of 2020, of \$500 million, partially offset by the higher 2020 proceeds from stock option exercises.

Free Cash Flow (non-GAAP measure)

The following table reconciles our non-GAAP free cash flow measure to net cash provided by operating activities.

(In millions, except percentages)	Three months ended February 28/29,		Dollar change	Percentage change
	2021	2020		
Net cash provided by operating activities	\$ 244.5	\$ 119.5		
Payments for acquisition-related performance compensation	—	75.9		
Capital expenditures on property and equipment	(72.6)	(78.0)		
Free cash flow	\$ 171.9	\$ 117.4	\$ 54.5	46 %

The increase in free cash flow was primarily due to increased operating performance, lower capital expenditure activity and improved working capital balances. The payments for acquisition-related performance compensation are associated with the exercise of put provisions by aM equity interest holders, as further described in Note 2. Our free cash flow has historically been positive due to the robust cash generation attributes of our business model, and we expect that it will continue to be a significant source of funding for our business strategy of growth through organic and acquisitive means.

Credit Facility and Other Debt

Please refer to Note 6 to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for a discussion of the current status of our debt arrangements.

Share Repurchase Programs

Please refer to Note 14 to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q and to Part II, Item 2 in this Quarterly Report on Form 10-Q for a discussion of our share repurchase programs.

Off-Balance Sheet Transactions

We have no off-balance sheet transactions.

Critical Accounting Policies

Our management makes a number of significant estimates, assumptions, and judgments in the preparation of our financial statements. See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates” in our 2020 Annual Report on Form 10-K for a discussion of the estimates and judgments necessary in our accounting for revenue recognition, business combinations, goodwill and other intangible assets, income taxes, and stock-based compensation.

Recent Accounting Pronouncements

Please refer to Note 1 to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for a discussion of recent accounting pronouncements and their anticipated effect on our business.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For information regarding our exposure to certain market risks, see “Item 7A. Quantitative and Qualitative Disclosures About Market Risk,” in our 2020 Annual Report on Form 10-K.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act, as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act are effective at a reasonable assurance level to ensure that information required to be disclosed in the reports required to be filed or submitted under the Securities Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

(b) Changes in internal control over financial reporting.

There were no changes in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Please refer to Note 13 to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for information about legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the risk factors associated with our business previously disclosed in "Item 1A. Risk Factors," in our Annual Report on Form 10-K for the period ended November 30, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides detail about our share repurchases during the three months ended February 28, 2021.

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in millions)
December 1 - December 31, 2020:				
Employee transactions	50,780	\$ 88.45	N/A	N/A
January 1 - January 31, 2021:				
Employee transactions	12	\$ 85.51	N/A	N/A
February 1 - February 28, 2021:				
Employee transactions	1,183,703	\$ 88.37	N/A	N/A
Total share repurchases	<u>1,234,495</u>	\$ 88.37		

For the first quarter of 2021, we repurchased approximately \$109.1 million of common shares related to employee transactions. These amounts represent common shares repurchased from employees in an amount equal to the statutory tax liability associated with the vesting of their equity awards. We then pay the statutory tax on behalf of the employee. Our Board of Directors has approved this program in an effort to reduce the dilutive effects of employee equity grants.

Item 6. Exhibits

(a) Index of Exhibits

Exhibit Number	Description
10.1+*	IHS Markit Ltd. 2014 Equity Incentive Award Plan - 2021 Form of Performance Share Unit Agreement
10.2+*	IHS Markit Ltd. 2014 Equity Incentive Award Plan - 2021 Form of Performance Share Unit Agreement (PUP)
10.3+	Separation Agreement by and between IHS Global, Inc., its affiliates and subsidiaries and Todd Hyatt, dated March 11, 2021 (Incorporated by reference to Exhibit 10.1 of the IHS Markit Ltd. Current Report on Form 8-K (file no. 001-36495) filed on March 11, 2021)
10.4+*	Amendment to the Amended and Restated Terms of Employment dated April 2, 2017 between IHS Global Inc. and Jonathan Gear
10.5+*	Amendment to the Amended and Restated Terms of Employment dated July 16, 2018 between IHS Global Inc. and Sari Granat
10.6+*	Amendment to the Amended and Restated Terms of Employment dated February 15, 2018 between IHS Global Inc. and Adam Kansler
31.1*	Certification of the Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act
31.2*	Certification of the Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act
32*	Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from this Quarterly Report on Form 10-Q, formatted as Inline XBRL

* Filed herewith.

+ Compensatory plan or arrangement

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 23, 2021.

IHS MARKIT LTD.

By: /s/ Michael Easton

Name: Michael Easton

Title: Senior Vice President and Chief Accounting Officer

**IHS MARKIT LTD. PERFORMANCE SHARE UNIT GRANT NOTICE AND
PERFORMANCE SHARE UNIT AGREEMENT
UNDER THE
IHS MARKIT LTD. 2014 EQUITY INCENTIVE AWARD PLAN**

IHS Markit Ltd., an exempted company incorporated under the laws of Bermuda (the “**Company**”), pursuant to its 2014 Equity Incentive Award Plan (the “**Plan**”), hereby grants to the individual listed below (“**you**” or the “**Holder**”) an Award of Restricted Share Units which vest based on the achievement of performance criteria (“**Performance Share Units**” or “**PSUs**”) indicated below, which PSUs shall be subject to vesting based on your continued employment with the Company (or any Affiliate thereof), as provided herein. This award of PSUs, together with any accumulated Dividend Equivalents as provided herein (the “**Award**”), is subject to all of the terms and conditions as set forth herein, and in the Performance Share Unit Agreement attached hereto as Exhibit A (the “**Agreement**”) and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Performance Share Unit Grant Notice (the “**Grant Notice**”) and the Agreement.

Holder:

Employee ID:

Grant Date:

Number of PSUs granted at “Target” performance level (Target Number of Units Granted):

Expected Vest Date

Units Vesting

Performance Measures: Three-Year Cumulative Adjusted EBITDA and Three-Year Cumulative Adjusted EPS with a Three-Year TSR Multiple, as set forth in “Vesting and Payment” in the Agreement

By your submission of your electronic acceptance of the Award or, if required by applicable law, by your signature below, subject to this Grant Notice as designated by the Company, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. You agree to access copies of the Plan and the prospectus governing the Plan (collectively, the “**Plan Documents**”) on the Company’s intranet or on the website of the Company’s designated brokerage firm. Paper copies are also available upon request to the Secretary of the Company at the Company’s corporate offices.

YOU MUST ACCEPT THIS AWARD BY THE DATE DETERMINED AND COMMUNICATED TO YOU BY THE COMPANY BUT IN ANY EVENT NO LATER THAN TWO (2) MONTHS AFTER THE GRANT DATE OR THE AWARD WILL AUTOMATICALLY BE CANCELLED.

You have reviewed this Grant Notice, the Agreement and the Plan Documents in their entirety, have had an opportunity to obtain the advice of counsel prior to executing this Grant Notice or accepting the Award subject hereto and fully understand all provisions of this Grant Notice, the Agreement and the Plan. You agree to accept as binding, conclusive and final all decisions or interpretations of the Committee with respect to the Plan, this Grant Notice or the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Grant Notice effective as of the Grant Date.

HOLDER Participant Name

By: _____

Print Name:

Address:

EXHIBIT A
TO PERFORMANCE SHARE UNIT GRANT NOTICE
PERFORMANCE SHARE UNIT AGREEMENT

Pursuant to the Grant Notice to which this Agreement is attached, the Company has granted to you the right to receive a number of PSUs set forth in the Grant Notice, together with Dividend Equivalents, if any, to the extent provided in Section 2(f) below, subject to all of the terms and conditions set forth in this Agreement and the Grant Notice. The Award is also subject to the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any inconsistency between your employment agreement with the Company, the Plan and this Agreement, the terms of your employment agreement and the Plan shall control, in that order. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice, as applicable.

Terms and Conditions

1. **Grant of PSUs.** Effective as of the grant date set forth in the Grant Notice (the “**Grant Date**”), and subject to the terms and conditions set forth in the Plan and this Agreement, the Company has granted to you, pursuant to the Grant Notice and the Plan, the number of PSUs set forth in the Grant Notice and accumulated Dividend Equivalents, if any, to the extent provided in Section 2(f) below, subject to the restrictions, terms and conditions set forth in this Agreement and the Plan. Each PSU represents the right to receive one Share at the time provided for herein, together with any Dividend Equivalent issued in respect thereof. Your right to receive Shares and Dividend Equivalents, if any, under this Agreement shall be no greater than the right of any unsecured general creditor of the Company.

2. **PSUs.**

a. **Rights as a Shareholder.** You shall have no rights of a shareholder with respect to the Shares represented by PSUs, including, but not limited to, the right to vote and to receive dividends, unless and until such Shares are transferred to you pursuant to the Plan and this Agreement.

b. **Vesting and Payment.** To the extent the performance objectives described in Section 2(b)(i) below (collectively, the “**Performance Objectives**”) are satisfied as of the completion of the performance period for this Award (the “**Performance Period**”), this Award will become vested and free of restrictions in accordance with Section 2(b)(ii) below as of the date of the third anniversary of the Grant Date (the “**Performance Vesting Date**”); *provided* that the Committee makes the determination referenced in Section 2(b)(iii) below, subject to the provision on Termination of Service below. The Performance Period begins December 1, 2020 and ends November 30, 2023.

(i) *Performance Objectives.* The Committee has established “performance objectives” for this Award to be (A) cumulative Adjusted EBITDA (as defined below) of the Company during the Performance Period (the “**Three-Year Cumulative Adjusted EBITDA**”), (B) cumulative Adjusted EPS (as defined below) of the Company during the Performance Period (the “**Three-Year Cumulative Adjusted EPS**”), and (C) the total shareholder return (“**TSR**”) of the Company compared to the companies that are included in the Standard & Poor’s 500 Index (the “**S&P 500 Index**”) at the beginning of the TSR Rank Measurement Period (the “**Three-Year TSR Multiple**”). The numerical goals for the Core Metrics and the Three-Year TSR Multiple will be provided to you in a separate communication from the Company (the “**Metrics Summary**”). The Three-Year Cumulative Adjusted EBITDA and Three-Year Cumulative Adjusted EPS are each a “**Core Metric**” and together, the “**Core Metrics.**”

[1] S&P Company 1 merges with or acquires S&P Company 2, where 1 is surviving entity = S&P Company 1 Stays, S&P Company 2 is removed. S&P Company merges with or acquires another S&P Company, where entirely new company is established = Committee’s Discretion. S&P Company merges with or acquires a Non-S&P Company, where S&P Company is surviving entity = S&P Company Stays. S&P Company merges with or acquires a Non-S&P Company, where S&P Company is not surviving entity= Remove S&P Company. S&P Company declares Bankruptcy = S&P Company Stays with TSR of -100%. S&P Company spins out a portion of business, but Parent Company remains the same S&P Company= S&P Company Stays with Reinvested Dividend. S&P Company spins out a portion of business, and spun out entity replaces S&P Company =S&P Company Removed. S&P Company’s Ticker Changes = S&P Company Stays.

“**Adjusted EBITDA**” means “Adjusted EBITDA” as determined and reported by the Company in its earnings release for the most recently completed fiscal year in the Performance Period.

“**Adjusted EPS**” means “Adjusted EPS” or “Adjusted earnings per diluted share” as determined and reported by the Company in its earnings release for the most recently completed fiscal year in the Performance Period.

“**TSR Rank**” for the Performance Period means the aggregate TSR of Company common shares over the period beginning December 1, 2020 and ending on November 30, 2023 (the “**TSR Rank Measurement Period**”), compared to the TSR over the same period for the S&P 500 Index. TSR will be calculated using a beginning price equal to the average price of Company common shares and the S&P 500 Index over the period of twenty (20) trading days immediately prior to December 1, 2020 and an ending price equal to the average price over the period of twenty (20) trading days immediately prior to November 30, 2023, and accounting for reinvestment of any dividends over this period. For purposes of this provision, TSR will be calculated using the average of the closing prices for the applicable periods.

“**Target Number of Units Granted**” means the number of PSUs granted at “Target” performance level as stated in the Grant Notice. The Target Number of Units Granted represents Shares that will be earned should each of the Three-Year Cumulative Adjusted EBITDA and the Three-Year Cumulative Adjusted EPS be met at a “Target” performance level and the Company’s TSR Rank is at the 50th percentile and you remain employed through the vesting period, except as otherwise provided in Section 2(c) below.

In addition, anything herein to the contrary notwithstanding, in the event at any time on or prior to November 30, 2023 the Company adopts converged accounting standards as outlined in the FASB and IASB project calendar or changes its financial reporting from US GAAP to IFRS, Adjusted EBITDA and Adjusted EPS shall be calculated for purposes of determining whether the applicable Performance Objective has been satisfied on the basis of US GAAP as in effect and applied immediately before such change to converged standards or to IFRS shall have become effective.

(ii) *Performance-Based Vesting.* Subject to the provision on Termination of Service below and to Section 2(b)(iii) below, the PSUs covered by this Award that will vest and become free of restrictions on the Performance Vesting Date will be calculated as set forth on Annex A attached hereto. The calculation provided on Annex A may allow for the partial or full vesting of this Award based upon the level of achievement of the Performance Objectives.

(iii) *Committee Determination.* Subject to Section 2(c) below, prior to the PSUs covered by this Award vesting and becoming free of restrictions, the Committee must determine in writing that the Performance Objectives were, in fact, satisfied, which determination will be made on such date specified by the Committee.

(iv) Subject to the terms of this Agreement and the Plan, the Shares and accumulated Dividend Equivalents, if any, to the extent provided in Section 2(f) below, shall be delivered and paid to you as soon as practicable following the applicable Performance Vesting Date. In the event that you are a resident of a country where applicable local law requires the Award to be settled in cash, the Company will settle the PSUs and accumulated Dividend Equivalents, if any, to the extent provided in Section 2(f) below, in a cash payment to you. In its sole discretion, the Company may elect to deliver the Shares to you by book-entry in the Company’s books or by electronic delivery to a brokerage account established for your benefit at a financial/brokerage firm selected by the Company. You agree to complete and sign any documents and take any additional action that the financial/brokerage firm designated by the Company may request to enable the Company to deliver the Shares on your behalf. The date of settlement shall not be later than 2½ months after the later of (x) the end of the Company’s fiscal year in which the applicable vesting date occurs or (y) the end of the calendar year in which the applicable vesting date occurs.

c. **Forfeiture.** Upon your Termination of Service for any reason, other than your death or Disability or, if eligible, your retirement in accordance with the terms of the Company’s Equity Retirement Policy, as amended from time to time (the “**Retirement Policy**”), any and all unvested PSUs, together with all unvested accumulated Dividend Equivalents, if any, to the extent provided in Section 2(f) below, shall automatically be cancelled for no consideration, and shall cease to be outstanding. For avoidance of doubt, should you cease to be an Employee but otherwise continue in service as a contractor or consultant, you will forfeit any and all unvested PSUs unless otherwise approved by the

Committee. In the event of your Termination of Service prior to the Performance Vesting Date due to your death or Disability, the unvested PSUs shall vest and be free of restrictions on the date of your Termination of Service due to death or Disability to such extent as if all Performance Objectives had been fully satisfied at "Target" performance level. In the event of your Termination of Service prior to the Performance Vesting Date due to your retirement in accordance with the terms of the Retirement Policy, any unvested PSUs granted at least twelve (12) months prior to your effective date of retirement shall continue to vest in accordance with the terms of this Agreement based on the actual achievement of the Performance Objectives as of the completion of the Performance Period, subject to the terms of this Agreement, the Plan and the Retirement Policy and your execution and non-revocation of a release of claims in favor of the Company.

d. **Restriction on Transfer of PSUs.** No PSUs shall be transferable by you other than by will or by the laws of descent and distribution. Any attempt to transfer the PSUs other than in accordance with the expressed terms of the Plan shall be void.

e. **Certain Legal Restrictions.** The Plan, this Agreement, the granting, vesting and settlement of the PSUs and Dividend Equivalents, if any, to the extent provided in Section 2(f), and any obligations of the Company under the Plan and this Agreement, shall be subject to all applicable federal, foreign, provincial, state and local laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required, and to any rules or regulations of any exchange on which the Shares are listed.

f. **Dividend Equivalents.** During the period from the Grant Date through the date on which Shares underlying vested PSUs are issued to you pursuant to Section 2(b), the Company shall credit the Holder with Dividend Equivalents equal to the dividends the Holder would have received if the Holder had been the actual record owner of the underlying Shares on each dividend record date. If a dividend on the Shares is payable wholly or partially in Shares, the Dividend Equivalent representing that portion shall be in the form of additional PSUs, and the Holder shall be treated as being credited with such additional PSUs with respect to the number of Shares underlying the unvested PSUs under this Award as of the date of payment of the dividend based on the Company's actual achievement of the Performance Objectives for the full Performance Period pursuant to Section 2(b) above. If a dividend on the Shares is payable wholly or partially in cash, the Dividend Equivalent representing that portion shall also be in the form of cash, and the Holder shall be treated as being credited with any cash dividends, without earnings, payable on the number of Shares that vest based on the Company's actual achievement of the Performance Objectives for the full Performance Period pursuant to Section 2(b) above. If a dividend on Shares is payable wholly or partially in a form other than cash or Shares, the Committee may, in its discretion, provide for such Dividend Equivalents with respect to that portion as it deems appropriate under the circumstances. Dividend Equivalents shall be subject to the same terms and conditions as the PSUs originally awarded pursuant to the Grant Notice and this Agreement, and they shall vest (or, if applicable, be forfeited) as if they had been granted at the same time as the original PSU Award.

g. **Corporate Events.** Except as otherwise provided in the Grant Notice or this Agreement, the provisions of Section 13.2 of the Plan shall apply to the PSUs and Dividend Equivalents, if any, to the extent provided in Section 2(f).

3. **Withholding of Taxes.** You acknowledge that you are responsible to pay any and all applicable tax obligations, including withholding and other taxes, which may be due as a result of receipt of this Award, the vesting and payout of the PSUs that you receive under this Award or your eligibility for retirement in accordance with the terms of the Retirement Policy. You acknowledge and agree that the payment of such tax obligations may be made by any one or a combination of the following methods, as determined by the Company or the Committee: (a) the Company's repurchase of Shares to be issued upon settlement of the PSUs; (b) the sale of Shares acquired upon settlement of the PSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); (c) direct payment by you to the Company; (d) payroll withholding from your wages or other cash compensation paid to you by the Company; or (e) any other method as the Company or Committee may elect in compliance with the Plan, the Code and applicable law. The Fair Market Value of the Shares that are repurchased, if applicable, will be determined as of the date when the taxes otherwise would have been withheld in cash, and will be applied as a credit against the taxes.

Depending on the withholding method, the Company may withhold or account for withholding taxes by considering applicable minimum statutory withholding rates or other applicable withholding rates, including applicable maximum rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the common share equivalent. If the obligation for taxes is satisfied by the repurchase of Shares, you are deemed to have been issued the full number of Shares subject to the vested PSU, notwithstanding that a number of the Shares are repurchased by the Company solely for the purpose of paying the taxes.

You acknowledge that the ultimate liability for all tax obligations legally due by you is and remains your responsibility.

If you are subject to tax liabilities in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company may be required to withhold or account for tax liability in more than one jurisdiction.

4. **Provisions of Employment Agreement and Plan Control**. This Agreement is subject to (i) your employment agreement with the Company and (ii) all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that any provision of this Agreement conflicts or is inconsistent with the provisions of your employment agreement with the Company or the terms set forth in the Plan, the provisions of your employment agreement with the Company and the terms set forth in the Plan shall control, in that order of priority, and this Agreement shall be deemed to be modified accordingly.

5. **Entire Agreement**. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Holder with respect to the subject matter hereof.

6. **Notices**. Any notice or communication given hereunder shall be in writing or by electronic means as set forth in Section 16 below and, if in writing, shall be deemed to have been duly given: (i) when delivered in person; (ii) five (5) business days after being sent by United States mail; or (iii) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service, to the appropriate party at the address set forth below (or such other address as the party shall from time to time specify):

If to the Company, to:

Corporate Human Resources
IHS Markit
15 Inverness Way East
Englewood, Colorado 80112
Telephone No. 303-397-7977
E-mail: stock@ihsmarkit.com

If to the Holder, to the address on file with the Company.

7. **Data Protection**. By participating in the Plan and entering into this Agreement, you hereby acknowledge the holding and processing of personal information provided by you to the Company, any Affiliate, trustee or third party service provider, for all purposes relating to the operation of the Plan. These include, but are not limited to: (i) administering and maintaining your records; (ii) providing information to the Company, Affiliates, trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan; (iii) providing information to future purchasers or merger partners of the Company or any Affiliate, or the business in which the Holder works; (iv) using information for communication and other administrative purposes; and (v) transferring information about the Holder to any country or territory that may not provide the same protection for the information as the Holder's home country. Personal information may include, but shall not be limited to:

- Personal data: Name, address, telephone number, email address, family size, marital status, sex, beneficiary information, emergency contacts, passport or visa information, age, language skills, driver's license information, birth certificate and employee number.
- Employment information: Curriculum vitae or resume, earnings history, employment references, job title, employment or severance agreement, plan or benefit enrollment forms and elections and equity compensation or benefit statements.
- Financial information: Current earnings and benefit information, personal bank account number, brokerage account information, tax related information and tax identification number.

The Company may, from time to time, process and transfer this or other information for internal compensation and benefit planning (specifically, for enrollment purposes in the Plan and the administration of the Plan), to determine training needs, to develop a global human resource database and to evaluate skill utilization.

8. **Whistleblower Protection; Defend Trade Secrets Act.**

a. Nothing in this Agreement or otherwise limits your ability to communicate directly with and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the Securities and Exchange Commission (the "**SEC**"), any other federal, state or local governmental agency or commission ("**Government Agency**") or self-regulatory organization regarding possible legal violations, without disclosure to the Company. The Company may not retaliate against you for any of these activities, and nothing in this Agreement requires you to waive any monetary award or other payment that you might become entitled to from the SEC or any other Government Agency or self-regulatory organization.

b. Further, nothing in this Agreement precludes you from filing a charge of discrimination with the Equal Employment Opportunity Commission or a like charge or complaint with a state or local fair employment practice agency. However, once this Agreement becomes effective, you may not receive a monetary award or any other form of personal relief from the Company in connection with any such charge or complaint that you filed or is filed on your behalf.

c. Pursuant to the Defend Trade Secrets Act of 2016, the parties hereto acknowledge and agree that you shall not have criminal or civil liability under any Federal or State trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition and without limiting the preceding sentence, if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law as contemplated by the preceding sentence, you may disclose the relevant trade secret to your attorney and may use such trade secret in the ensuing court proceeding, if you (X) file any document containing such trade secret under seal and (Y) do not disclose such trade secret, except pursuant to court order.

9. **Clawback Upon Breach of Certain Restrictive Covenants.** Subject to Section 8 and applicable local law, your breach of any non-competition, non-solicitation, confidentiality, non-disparagement, assignment of inventions, other intellectual property or other restrictive covenant agreement, including this Section 9 and any existing employment or similar agreement, which you are a party to with the Company or any Affiliate, in addition to whatever other equitable relief or monetary damages that the Company or any Affiliate may be entitled to, shall result in automatic rescission, forfeiture, cancellation or return of any Shares (whether or not vested) and any amounts or benefits arising from this Award held by you. For the avoidance of doubt, this Section 9 expressly permits the Company to recoup or clawback the value of any compensation that you receive under this Award, should you breach any of the foregoing covenants. If you are an individual to whom the Company's Policy on Recovery of Incentive Compensation (or any similar policy then in effect) applies, this Section 9 will apply to you in addition to such policy. Without limiting the generality of the foregoing:

a. **Non-Competition.** You acknowledge and agree that the Company is engaged in a highly competitive business and that, given your position and resultant responsibilities with the Company or any Affiliate and your access to Proprietary Information, your engaging in any business that

is directly competitive with the Company or any Affiliate would cause it great and irreparable harm. Accordingly, you agree that, during your employment by the Company or any Affiliate and continuing one year thereafter, you will not, without the express written consent of the Company or any Affiliate, directly or indirectly, own, manage, operate, control, or be employed by any entity engaged in such segment(s) of the Company's and/or any Affiliate's business for which you had responsibility or about which you had knowledge of, or access to, Proprietary Information while employed by the Company or any Affiliate. If any restriction set forth in this Section 9(a) is found to be unenforceable because it extends for too long a period of time, over too great a range of activities, or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable. You understand and agree that these obligations shall not expire and shall be tolled during, and so extended by the length of, any period in which you are in non-compliance. "Proprietary Information" as used herein shall mean the confidential and/or proprietary knowledge, data, or information of the Company or any Affiliate, in whatever form. By way of illustration, but not limitation, "Proprietary Information" includes, as permitted by local law: (a) trade secrets, inventions, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques; (b) information regarding research, development, new products and/or services, marketing and selling, business plans, budgets and unpublished financial information, licenses, prices and costs, suppliers, customers, contractors, and consultants; and (c) information regarding the skills and compensation of other employees of the Company or any Affiliate. You acknowledge and agree that the Proprietary Information is not generally known or available to the public and has been acquired, compiled, and developed by the Company or any Affiliate at their great effort and expense, and that the Company and its Affiliates are engaged in a highly competitive business and that their competitive position and commercial value depends upon their ability to maintain the confidentiality of the Proprietary Information. You further acknowledge and agree that improperly disclosing, divulging, revealing or using any of the Proprietary Information will be highly detrimental to the Company and its Affiliates, and that serious loss of business and damage would result.

b. **Non-Solicitation.** During your employment by the Company or any Affiliate and continuing one year thereafter, you will not directly or indirectly induce: (a) any employee of the Company or any Affiliate to terminate or negatively alter his or her relationship with the Company or any Affiliate; or (b) any actual or prospective customer, supplier, vendor, consultant, or contractor of the Company or any Affiliate to terminate or negatively alter his, her, or its actual or potential relationship with the Company or any Affiliate. If any restriction set forth in this Section 9(b) is found to be unenforceable because it extends for too long a period of time, over too great a range of activities, or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable. You understand and agree that these obligations shall not expire and shall be tolled during, and so extended by the length of, any period in which you are in non-compliance.

c. **Confidentiality.** Subject to Section 8, at all times during and after your employment, you will hold in strictest confidence and will not indirectly or directly disclose or use any of the Proprietary Information (as defined above), except as may be required by your work for the Company or any Affiliate.

10. **Acquired Rights.** In accepting the Award, you acknowledge that:

- a. the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;
- b. the Award of PSUs is voluntary and occasional and does not create any contractual or other right to receive future Awards of PSUs, or benefits in lieu of PSUs even if PSUs have been awarded repeatedly in the past;
- c. all decisions with respect to future Awards, if any, will be at the sole discretion of the Company;
- d. your participation in the Plan is voluntary;

e. the PSUs are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or to your actual employer, and PSUs are outside the scope of your employment contract, if any;

f. the PSUs are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments;

g. neither the PSUs nor any provision of this Agreement, the Plan or the policies adopted pursuant to the Plan confer upon you any right with respect to employment, continuation of current employment or retirement eligibility, and in the event that you are not an employee of the Company or any subsidiary of the Company, the PSUs shall not be interpreted to form an employment contract or relationship with the Company or any Affiliate;

h. the future value of the underlying Shares is unknown and cannot be predicted with certainty;

i. the value of Shares acquired on vesting of PSUs may increase or decrease in value;

j. no claim or entitlement to compensation or damages arises from the termination of the PSUs, and no claim or entitlement to compensation or damages shall arise from any diminution in value of the PSUs or Shares received upon the vesting of the PSUs resulting from the termination of your entitlement by the Company or any Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release the Company and any Affiliate from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, you shall be deemed irrevocably to have waived your entitlement to pursue such claim; and

k. subject to Section 2(c) above, in the event of a termination of your employment (whether or not in breach of local labor laws), your right to receive PSUs and vest under the Plan, if any, will terminate effective as of the date of your actual termination of employment and will include any notice period mandated under local law (e.g., any period of "garden leave" or other similar notice period pursuant to local law); furthermore, in the event of involuntary termination of employment (whether or not in breach of local labor laws), your right to receive Shares pursuant to the PSUs after termination of employment, if any, will be measured by the date of your actual termination of employment and will include any notice period mandated under local law.

11. **Language.** If you have received this or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

12. **No Guaranteed Employment.** Nothing contained in this Agreement or in the Grant Notice (including, for the avoidance of doubt, the vesting schedule set forth in the Grant Notice) shall affect the right of the Company or any of its Affiliates to terminate the Holder's employment at any time, with or without Cause, or shall be deemed to create any rights to or any express or implied promise of employment, continued employment or retirement eligibility. The rights and obligations arising under this Agreement are not intended to and do not affect the Holder's employment relationship that otherwise exists between the Holder and the Company or any of its Affiliates, whether such employment relationship is at will or defined by an employment contract. Moreover, this Agreement is not intended to and does not amend any existing employment contract between the Holder and the Company or any of its Affiliates; to the extent there is a conflict between this Agreement and such an employment contract, the employment contract shall govern and take priority.

13. **Power of Attorney.** The Company (including its successors and assigns) is hereby appointed the attorney-in-fact, with full power of substitution, of the Holder for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instruments which such attorney-in-fact may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. The Company, as attorney-in-fact for the Holder, may in the name and stead of the Holder, make and execute all conveyances,

assignments and transfers of the PSUs, Dividend Equivalents, other property issued in respect of such PSUs, Shares and any property provided for herein, and the Holder hereby ratifies and confirms that which the Company, as said attorney-in-fact, shall do by virtue hereof. Nevertheless, the Holder shall, if so requested by the Company, execute and deliver to the Company all such instruments as may, in the judgment of the Company, be advisable for this purpose.

14. **WAIVER of Jury Trial.** Each party to this Agreement, for itself and its affiliates, hereby irrevocably and unconditionally waives to the fullest extent permitted by applicable law all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to the actions of the parties hereto or their respective affiliates pursuant to this Agreement or in the negotiation, administration, performance or enforcement of this Agreement.

15. **Interpretation.** All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement.

16. **Mode of Communications.** The Holder agrees, to the fullest extent permitted by applicable law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or any of its Affiliates may deliver in connection with this grant of PSUs, including, without limitation, prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. The Holder further agrees that electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or the online brokerage account system.

17. **No Waiver.** No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

18. **Severability.** If any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties hereto shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties hereto that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives. The illegality, unenforceability or invalidity of any provision of this Agreement shall not affect the legality, enforceability or validity of any other provision of this Agreement.

19. **Counterparts.** This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

20. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York, regardless of the law that might be applied under principles of conflict of laws. Each party hereby irrevocably submits to the exclusive jurisdiction of the federal and state courts of New York located in the borough of Manhattan in New York City in respect of the interpretation and enforcement of the provisions of this Agreement. Each party hereby waives and agrees not to assert, as a defense in any action, suit or proceeding for the interpretation and enforcement hereof, that such action, suit or proceeding may not be brought or is not maintainable in such courts or that the venue thereof may not be appropriate or that this Agreement may not be enforced in or by such courts. Each party hereby consents to and grants any such court jurisdiction over the person of such parties and over the subject matter of any such action, suit or proceeding and agrees that the mailing of process or other papers in connection with any such action, suit, or proceeding in the manner provided in Section 6 hereof or in such other manner as may be permitted by law shall be valid and sufficient service thereof.

21. **Miscellaneous.**

a. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, personal legal representatives, successors, trustees, administrators,

distributees, devisees and legatees. The Company may assign to any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or any Affiliate by which the Holder is employed, and require such successor to expressly assume and agree in writing to perform, this Agreement.

b. The Holder agrees that the Award of the PSUs hereunder is special incentive compensation and that it, any Dividend Equivalents or any other property issued in respect of such PSUs will not be taken into account as "salary" or "compensation" or "bonus" in determining the amount of any payment under any pension, retirement or profit-sharing plan of the Company or any life insurance, disability or other benefit plan of the Company, unless specifically provided in the applicable plan.

c. No modification or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

22. **Section 409A and Section 457A.** To the extent the Committee determines that any payment under this Agreement is subject to Section 409A or Section 457A of the Code, the provisions of Section 13.10 of the Plan (including, without limitation, the six-month delay relating to "specified employees") shall apply.

**ANNEX A
TO PERFORMANCE SHARE UNIT GRANT NOTICE
PERFORMANCE SHARE UNIT AGREEMENT**

Subject to the provisions of the Grant Notice and the Agreement, the number of PSUs covered by this Agreement that will vest on the Performance Vesting Date (the “**Final Adjusted Units**”) will be determined by a three-step calculation:

1. *Calculate the Core Metrics Payout Percent:* The Core Metrics Payout Percent will be determined by adding the Three-Year Cumulative Adjusted EBITDA Payout Percent and the Three-Year Cumulative Adjusted EPS Payout Percent as follows:

$$\begin{aligned} & \mathbf{(50\% \times \text{Three-Year Cumulative Adjusted EBITDA Payout Percent})} \\ & \quad + \\ & \mathbf{(50\% \times \text{Three-Year Cumulative Adjusted EPS Payout Percent})} \\ & \quad = \\ & \mathbf{\text{Core Metrics Payout Percent}} \end{aligned}$$

The performance payout range for each of the Three-Year Cumulative Adjusted EBITDA and Three-Year Cumulative Adjusted EPS is 0 percent to 167 percent of the Target Number of Units Granted. If either Core Metric is between “Minimum” and “Target” or “Target” and “Maximum” performance for such Core Metric (each as set forth in the Metrics Summary), the payout percent with respect to such Core Metric will be determined using straight line interpolation based on the actual achievement of the Core Metric. If neither Core Metric is met at Minimum, no Shares will vest under this Award regardless of TSR Rank.

2. *Calculate the Core Metrics Units Earned:* The Core Metrics Units Earned will be determined by multiplying the Target Number of Units Granted by the Core Metrics Payout Percent as follows:

$$\begin{aligned} & \mathbf{\text{Target Number of Units Granted} \times \text{Core Metrics Payout Percent}} \\ & \quad = \\ & \mathbf{\text{Core Metrics Units Earned}} \end{aligned}$$

3. *Apply the Three-Year Relative TSR Multiple:* The number of Final Adjusted Units will be determined by multiplying the Core Metrics Units Earned by the Three-Year Relative TSR Multiple (as set forth in the Metrics Summary) as follows:

$$\begin{aligned} & \mathbf{\text{Core Metrics Units Earned} \times \text{Three-Year TSR Multiple}} \\ & \quad = \\ & \mathbf{\text{Final Adjusted Units}} \end{aligned}$$

If the Company’s Three-Year Relative TSR Percentile Rank (as set forth in the Metrics Summary) is between the 35th and 50th percentiles or 50th and 75th percentiles, the Three-Year TSR Multiple will be determined using straight line interpolation based on the Company’s actual Three-Year Relative TSR Percentile Rank. If the aggregate TSR of the Company common shares over the TSR Rank Measurement Period is negative, then the Three-Year TSR Multiple cannot exceed 1.0x.

For avoidance of doubt, the Target Number of Units Granted as set forth on the first page of the Grant Notice reflects a total number in the event each of the Three-Year Cumulative Adjusted EBITDA and the Three-Year Cumulative Adjusted EPS are satisfied at “Target” performance level and the Company’s Three-Year Relative TSR Percentile Rank is at the 50th Percentile.

The payout opportunity for the Award, combined in Steps 1 to 3, is 0 percent to 200 percent of Target. Notwithstanding the above and the numerical goals set forth in the Metrics Summary, the maximum payout opportunity for the Award (maximum number of Final Adjusted Units) cannot exceed 200% of Target.

The Three-Year Cumulative Adjusted EBITDA numerical goals will be adjusted by the Committee to reflect the pro forma impact of acquisitions or divestitures by the Company during the Performance Period.

The Core Metrics (including the Target) and associated payouts may be adjusted by the Committee in its discretion due to (i) unforeseen changes to the macroeconomic business environment, (ii) unanticipated regulatory change or (iii) changes in US GAAP or the application thereof that would materially affect the Core Metrics.

**IHS MARKIT LTD. PARTNER UNIT PLAN PERFORMANCE SHARE UNIT GRANT NOTICE AND
PARTNER UNIT PLAN PERFORMANCE SHARE UNIT AGREEMENT
UNDER THE
IHS MARKIT LTD. 2014 EQUITY INCENTIVE AWARD PLAN**

IHS Markit Ltd., an exempted company incorporated under the laws of Bermuda (the “**Company**”), pursuant to its 2014 Equity Incentive Award Plan (the “**Plan**”), hereby grants to the individual listed below (“**you**” or the “**Holder**”) an Award of Restricted Share Units which vest based on the achievement of performance criteria (“**Performance Share Units**” or “**PSUs**”) indicated below, which PSUs shall be subject to vesting based on your continued employment with the Company (or any Affiliate thereof), as provided herein. This award of PSUs, together with any accumulated Dividend Equivalents as provided herein (the “**Award**”), is subject to all of the terms and conditions as set forth herein, and in the Partner Unit Plan Performance Share Unit Agreement attached hereto as Exhibit A (the “**Agreement**”) and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Partner Unit Plan Performance Share Unit Grant Notice (the “**Grant Notice**”) and the Agreement.

Holder:

Employee ID:

Grant Date:

Number of PSUs granted at “Target” performance level (Target Number of Units Granted):

Expected Vest Date

Units Vesting

Performance Measures: Three-Year Cumulative Adjusted EBITDA and Three-Year Cumulative Adjusted EPS with a Three-Year TSR Multiple, as set forth in “Vesting and Payment” in the Agreement

By your submission of your electronic acceptance of the Award or, if required by applicable law, by your signature below, subject to this Grant Notice as designated by the Company, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. You agree to access copies of the Plan and the prospectus governing the Plan (collectively, the “**Plan Documents**”) on the Company’s intranet or on the website of the Company’s designated brokerage firm. Paper copies are also available upon request to the Secretary of the Company at the Company’s corporate offices.

YOU MUST ACCEPT THIS AWARD BY THE DATE DETERMINED AND COMMUNICATED TO YOU BY THE COMPANY BUT IN ANY EVENT NO LATER THAN TWO (2) MONTHS AFTER THE GRANT DATE OR THE AWARD WILL AUTOMATICALLY BE CANCELLED.

You have reviewed this Grant Notice, the Agreement and the Plan Documents in their entirety, have had an opportunity to obtain the advice of counsel prior to executing this Grant Notice or accepting the Award subject hereto and fully understand all provisions of this Grant Notice, the Agreement and the Plan. You agree to accept as binding, conclusive and final all decisions or interpretations of the Committee with respect to the Plan, this Grant Notice or the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Grant Notice effective as of the Grant Date.

HOLDER Participant Name

By: _____

Print Name:

Address:

EXHIBIT A
TO PARTNER UNIT PLAN PERFORMANCE SHARE UNIT GRANT NOTICE
PARTNER UNIT PLAN PERFORMANCE SHARE UNIT AGREEMENT

Pursuant to the Grant Notice to which this Agreement is attached, the Company has granted to you the right to receive a number of PSUs set forth in the Grant Notice, together with Dividend Equivalents, if any, to the extent provided in Section 2(f) below, subject to all of the terms and conditions set forth in this Agreement and the Grant Notice. The Award is also subject to the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any inconsistency between your employment agreement with the Company, the Plan and this Agreement, the terms of your employment agreement and the Plan shall control, in that order. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice, as applicable.

Terms and Conditions

1. **Grant of PSUs.** Effective as of the grant date set forth in the Grant Notice (the “**Grant Date**”), and subject to the terms and conditions set forth in the Plan and this Agreement, the Company has granted to you, pursuant to the Grant Notice and the Plan, the number of PSUs set forth in the Grant Notice and accumulated Dividend Equivalents, if any, to the extent provided in Section 2(f) below, subject to the restrictions, terms and conditions set forth in this Agreement and the Plan. Each PSU represents the right to receive one Share at the time provided for herein, together with any Dividend Equivalent issued in respect thereof. Your right to receive Shares and Dividend Equivalents, if any, under this Agreement shall be no greater than the right of any unsecured general creditor of the Company.

2. **PSUs.**

a. **Rights as a Shareholder.** You shall have no rights of a shareholder with respect to the Shares represented by PSUs, including, but not limited to, the right to vote and to receive dividends, unless and until such Shares are transferred to you pursuant to the Plan and this Agreement.

b. **Vesting and Payment.** To the extent the performance objectives described in Section 2(b)(i) below (collectively, the “**Performance Objectives**”) are satisfied as of the completion of the performance period for this Award (the “**Performance Period**”), this Award will become vested and free of restrictions in accordance with Section 2(b)(ii) below as of the date of the third anniversary of the Grant Date (the “**Performance Vesting Date**”); *provided* that the Committee makes the determination referenced in Section 2(b)(iii) below, subject to the provision on Termination of Service below. The Performance Period begins December 1, 2020 and ends November 30, 2023.

(i) *Performance Objectives.* The Committee has established “performance objectives” for this Award to be (A) cumulative Adjusted EBITDA (as defined below) of the Company during the Performance Period (the “**Three-Year Cumulative Adjusted EBITDA**”), (B) cumulative Adjusted EPS (as defined below) of the Company during the Performance Period (the “**Three-Year Cumulative Adjusted EPS**”), and (C) the total shareholder return (“**TSR**”) of the Company compared to the companies that are included in the Standard & Poor’s 500 Index (the “**S&P 500 Index**”) at the beginning of the TSR Rank Measurement Period (the “**Three-Year TSR Multiple**”). The numerical goals for the Core Metrics and the Three-Year TSR Multiple will be provided to you in a separate communication from the Company (the “**Metrics Summary**”). The Three-Year Cumulative Adjusted EBITDA and Three-Year Cumulative Adjusted EPS are each a “**Core Metric**” and together, the “**Core Metrics.**”

[1] S&P Company 1 merges with or acquires S&P Company 2, where 1 is surviving entity = S&P Company 1 Stays, S&P Company 2 is removed. S&P Company merges with or acquires another S&P Company, where entirely new company is established = Committee’s Discretion. S&P Company merges with or acquires a Non-S&P Company, where S&P Company is surviving entity = S&P Company Stays. S&P Company merges with or acquires a Non-S&P Company, where S&P Company is not surviving entity= Remove S&P Company. S&P Company declares Bankruptcy = S&P Company Stays with TSR of -100%. S&P Company spins out a portion of business, but Parent Company remains the same S&P Company= S&P Company Stays with Reinvested Dividend. S&P Company spins out a portion of business, and spun out entity replaces S&P Company =S&P Company Removed. S&P Company’s Ticker Changes = S&P Company Stays.

“**Adjusted EBITDA**” means “Adjusted EBITDA” as determined and reported by the Company in its earnings release for the most recently completed fiscal year in the Performance Period.

“**Adjusted EPS**” means “Adjusted EPS” or “Adjusted earnings per diluted share” as determined and reported by the Company in its earnings release for the most recently completed fiscal year in the Performance Period.

“**TSR Rank**” for the Performance Period means the aggregate TSR of Company common shares over the period beginning December 1, 2020 and ending on November 30, 2023 (the “**TSR Rank Measurement Period**”), compared to the TSR over the same period for the S&P 500 Index. TSR will be calculated using a beginning price equal to the average price of Company common shares and the S&P 500 Index over the period of twenty (20) trading days immediately prior to December 1, 2020 and an ending price equal to the average price over the period of twenty (20) trading days immediately prior to November 30, 2023, and accounting for reinvestment of any dividends over this period. For purposes of this provision, TSR will be calculated using the average of the closing prices for the applicable periods.

“**Target Number of Units Granted**” means the number of PSUs granted at “Target” performance level as stated in the Grant Notice. The Target Number of Units Granted represents Shares that will be earned should each of the Three-Year Cumulative Adjusted EBITDA and the Three-Year Cumulative Adjusted EPS be met at a “Target” performance level and the Company’s TSR Rank is at the 50th percentile and you remain employed through the vesting period, except as otherwise provided in Section 2(c) below.

In addition, anything herein to the contrary notwithstanding, in the event at any time on or prior to November 30, 2023 the Company adopts converged accounting standards as outlined in the FASB and IASB project calendar or changes its financial reporting from US GAAP to IFRS, Adjusted EBITDA and Adjusted EPS shall be calculated for purposes of determining whether the applicable Performance Objective has been satisfied on the basis of US GAAP as in effect and applied immediately before such change to converged standards or to IFRS shall have become effective.

(ii) *Performance-Based Vesting.* Subject to the provision on Termination of Service below and to Section 2(b)(iii) below, the PSUs covered by this Award that will vest and become free of restrictions on the Performance Vesting Date will be calculated as set forth on Annex A attached hereto. The calculation provided on Annex A may allow for the partial or full vesting of this Award based upon the level of achievement of the Performance Objectives.

(iii) *Committee Determination.* Subject to Section 2(c) below, prior to the PSUs covered by this Award vesting and becoming free of restrictions, the Committee must determine in writing that the Performance Objectives were, in fact, satisfied, which determination will be made on such date specified by the Committee.

(iv) Subject to the terms of this Agreement and the Plan, the Shares and accumulated Dividend Equivalents, if any, to the extent provided in Section 2(f) below, shall be delivered and paid to you as soon as practicable following the applicable Performance Vesting Date. In the event that you are a resident of a country where applicable local law requires the Award to be settled in cash, the Company will settle the PSUs and accumulated Dividend Equivalents, if any, to the extent provided in Section 2(f) below, in a cash payment to you. In its sole discretion, the Company may elect to deliver the Shares to you by book-entry in the Company’s books or by electronic delivery to a brokerage account established for your benefit at a financial/brokerage firm selected by the Company. You agree to complete and sign any documents and take any additional action that the financial/brokerage firm designated by the Company may request to enable the Company to deliver the Shares on your behalf. The date of settlement shall not be later than 2½ months after the later of (x) the end of the Company’s fiscal year in which the applicable vesting date occurs or (y) the end of the calendar year in which the applicable vesting date occurs.

c. **Forfeiture.** Upon your Termination of Service for any reason, other than your death or Disability or, if eligible, your retirement in accordance with the terms of the Company’s Equity Retirement Policy, as amended from time to time (the “**Retirement Policy**”), any and all unvested PSUs, together with all unvested accumulated Dividend Equivalents, if any, to the extent provided in Section 2(f) below, shall automatically be cancelled for no consideration, and shall cease to be outstanding. For avoidance of doubt, should you cease to be an Employee but otherwise continue in service as a contractor or consultant, you will forfeit any and all unvested PSUs unless otherwise approved by the

Committee. In the event of your Termination of Service prior to the Performance Vesting Date due to your death or Disability, the unvested PSUs shall vest and be free of restrictions on the date of your Termination of Service due to death or Disability to such extent as if all Performance Objectives had been fully satisfied at "Target" performance level. In the event of your Termination of Service prior to the Performance Vesting Date due to your retirement in accordance with the terms of the Retirement Policy, any unvested PSUs granted at least twelve (12) months prior to your effective date of retirement shall continue to vest in accordance with the terms of this Agreement based on the actual achievement of the Performance Objectives as of the completion of the Performance Period, subject to the terms of this Agreement, the Plan and the Retirement Policy and your execution and non-revocation of a release of claims in favor of the Company.

d. **Restriction on Transfer of PSUs.** No PSUs shall be transferable by you other than by will or by the laws of descent and distribution. Any attempt to transfer the PSUs other than in accordance with the expressed terms of the Plan shall be void.

e. **Certain Legal Restrictions.** The Plan, this Agreement, the granting, vesting and settlement of the PSUs and Dividend Equivalents, if any, to the extent provided in Section 2(f), and any obligations of the Company under the Plan and this Agreement, shall be subject to all applicable federal, foreign, provincial, state and local laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required, and to any rules or regulations of any exchange on which the Shares are listed.

f. **Dividend Equivalents.** During the period from the Grant Date through the date on which Shares underlying vested PSUs are issued to you pursuant to Section 2(b), the Company shall credit the Holder with Dividend Equivalents equal to the dividends the Holder would have received if the Holder had been the actual record owner of the underlying Shares on each dividend record date. If a dividend on the Shares is payable wholly or partially in Shares, the Dividend Equivalent representing that portion shall be in the form of additional PSUs, and the Holder shall be treated as being credited with such additional PSUs with respect to the number of Shares underlying the unvested PSUs under this Award as of the date of payment of the dividend based on the Company's actual achievement of the Performance Objectives for the full Performance Period pursuant to Section 2(b) above. If a dividend on the Shares is payable wholly or partially in cash, the Dividend Equivalent representing that portion shall also be in the form of cash, and the Holder shall be treated as being credited with any cash dividends, without earnings, payable on the number of Shares that vest based on the Company's actual achievement of the Performance Objectives for the full Performance Period pursuant to Section 2(b) above. If a dividend on Shares is payable wholly or partially in a form other than cash or Shares, the Committee may, in its discretion, provide for such Dividend Equivalents with respect to that portion as it deems appropriate under the circumstances. Dividend Equivalents shall be subject to the same terms and conditions as the PSUs originally awarded pursuant to the Grant Notice and this Agreement, and they shall vest (or, if applicable, be forfeited) as if they had been granted at the same time as the original PSU Award.

g. **Corporate Events.** Except as otherwise provided in the Grant Notice or this Agreement, the provisions of Section 13.2 of the Plan shall apply to the PSUs and Dividend Equivalents, if any, to the extent provided in Section 2(f).

3. **Withholding of Taxes.** You acknowledge that you are responsible to pay any and all applicable tax obligations, including withholding and other taxes, which may be due as a result of receipt of this Award, the vesting and payout of the PSUs that you receive under this Award or your eligibility for retirement in accordance with the terms of the Retirement Policy. You acknowledge and agree that the payment of such tax obligations may be made by any one or a combination of the following methods, as determined by the Company or the Committee: (a) the Company's repurchase of Shares to be issued upon settlement of the PSUs; (b) the sale of Shares acquired upon settlement of the PSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); (c) direct payment by you to the Company; (d) payroll withholding from your wages or other cash compensation paid to you by the Company; or (e) any other method as the Company or Committee may elect in compliance with the Plan, the Code and applicable law. The Fair Market Value of the Shares that are repurchased, if applicable, will be determined as of the date when the taxes otherwise would have been withheld in cash, and will be applied as a credit against the taxes.

Depending on the withholding method, the Company may withhold or account for withholding taxes by considering applicable minimum statutory withholding rates or other applicable withholding rates, including applicable maximum rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the common share equivalent. If the obligation for taxes is satisfied by the repurchase of Shares, you are deemed to have been issued the full number of Shares subject to the vested PSU, notwithstanding that a number of the Shares are repurchased by the Company solely for the purpose of paying the taxes.

You acknowledge that the ultimate liability for all tax obligations legally due by you is and remains your responsibility.

If you are subject to tax liabilities in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company may be required to withhold or account for tax liability in more than one jurisdiction.

4. **Provisions of Employment Agreement and Plan Control**. This Agreement is subject to (i) your employment agreement with the Company and (ii) all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that any provision of this Agreement conflicts or is inconsistent with the provisions of your employment agreement with the Company or the terms set forth in the Plan, the provisions of your employment agreement with the Company and the terms set forth in the Plan shall control, in that order of priority, and this Agreement shall be deemed to be modified accordingly.

5. **Entire Agreement**. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Holder with respect to the subject matter hereof.

6. **Notices**. Any notice or communication given hereunder shall be in writing or by electronic means as set forth in Section 16 below and, if in writing, shall be deemed to have been duly given: (i) when delivered in person; (ii) five (5) business days after being sent by United States mail; or (iii) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service, to the appropriate party at the address set forth below (or such other address as the party shall from time to time specify):

If to the Company, to:

Corporate Human Resources
IHS Markit
15 Inverness Way East
Englewood, Colorado 80112
Telephone No. 303-397-7977
E-mail: stock@ihsmarkit.com

If to the Holder, to the address on file with the Company.

7. **Data Protection**. By participating in the Plan and entering into this Agreement, you hereby acknowledge the holding and processing of personal information provided by you to the Company, any Affiliate, trustee or third party service provider, for all purposes relating to the operation of the Plan. These include, but are not limited to: (i) administering and maintaining your records; (ii) providing information to the Company, Affiliates, trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan; (iii) providing information to future purchasers or merger partners of the Company or any Affiliate, or the business in which the Holder works; (iv) using information for communication and other administrative purposes; and (v) transferring information about the Holder to any country or territory that may not provide the same protection for the information as the Holder's home country. Personal information may include, but shall not be limited to:

- Personal data: Name, address, telephone number, email address, family size, marital status, sex, beneficiary information, emergency contacts, passport or visa information, age, language skills, driver's license information, birth certificate and employee number.
- Employment information: Curriculum vitae or resume, earnings history, employment references, job title, employment or severance agreement, plan or benefit enrollment forms and elections and equity compensation or benefit statements.
- Financial information: Current earnings and benefit information, personal bank account number, brokerage account information, tax related information and tax identification number.

The Company may, from time to time, process and transfer this or other information for internal compensation and benefit planning (specifically, for enrollment purposes in the Plan and the administration of the Plan), to determine training needs, to develop a global human resource database and to evaluate skill utilization.

8. **Whistleblower Protection; Defend Trade Secrets Act.**

a. Nothing in this Agreement or otherwise limits your ability to communicate directly with and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the Securities and Exchange Commission (the "**SEC**"), any other federal, state or local governmental agency or commission ("**Government Agency**") or self-regulatory organization regarding possible legal violations, without disclosure to the Company. The Company may not retaliate against you for any of these activities, and nothing in this Agreement requires you to waive any monetary award or other payment that you might become entitled to from the SEC or any other Government Agency or self-regulatory organization.

b. Further, nothing in this Agreement precludes you from filing a charge of discrimination with the Equal Employment Opportunity Commission or a like charge or complaint with a state or local fair employment practice agency. However, once this Agreement becomes effective, you may not receive a monetary award or any other form of personal relief from the Company in connection with any such charge or complaint that you filed or is filed on your behalf.

c. Pursuant to the Defend Trade Secrets Act of 2016, the parties hereto acknowledge and agree that you shall not have criminal or civil liability under any Federal or State trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition and without limiting the preceding sentence, if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law as contemplated by the preceding sentence, you may disclose the relevant trade secret to your attorney and may use such trade secret in the ensuing court proceeding, if you (X) file any document containing such trade secret under seal and (Y) do not disclose such trade secret, except pursuant to court order.

9. **Clawback Upon Breach of Certain Restrictive Covenants.** Subject to Section 8 and applicable local law, your breach of any non-competition, non-solicitation, confidentiality, non-disparagement, assignment of inventions, other intellectual property or other restrictive covenant agreement, including this Section 9 and any existing employment or similar agreement, which you are a party to with the Company or any Affiliate, in addition to whatever other equitable relief or monetary damages that the Company or any Affiliate may be entitled to, shall result in automatic rescission, forfeiture, cancellation or return of any Shares (whether or not vested) and any amounts or benefits arising from this Award held by you. For the avoidance of doubt, this Section 9 expressly permits the Company to recoup or clawback the value of any compensation that you receive under this Award, should you breach any of the foregoing covenants. If you are an individual to whom the Company's Policy on Recovery of Incentive Compensation (or any similar policy then in effect) applies, this Section 9 will apply to you in addition to such policy. Without limiting the generality of the foregoing:

a. **Non-Competition.** You acknowledge and agree that the Company is engaged in a highly competitive business and that, given your position and resultant responsibilities with the Company or any Affiliate and your access to Proprietary Information, your engaging in any business that

is directly competitive with the Company or any Affiliate would cause it great and irreparable harm. Accordingly, you agree that, during your employment by the Company or any Affiliate and continuing one year thereafter, you will not, without the express written consent of the Company or any Affiliate, directly or indirectly, own, manage, operate, control, or be employed by any entity engaged in such segment(s) of the Company's and/or any Affiliate's business for which you had responsibility or about which you had knowledge of, or access to, Proprietary Information while employed by the Company or any Affiliate. If any restriction set forth in this Section 9(a) is found to be unenforceable because it extends for too long a period of time, over too great a range of activities, or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable. You understand and agree that these obligations shall not expire and shall be tolled during, and so extended by the length of, any period in which you are in non-compliance. "Proprietary Information" as used herein shall mean the confidential and/or proprietary knowledge, data, or information of the Company or any Affiliate, in whatever form. By way of illustration, but not limitation, "Proprietary Information" includes, as permitted by local law: (a) trade secrets, inventions, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques; (b) information regarding research, development, new products and/or services, marketing and selling, business plans, budgets and unpublished financial information, licenses, prices and costs, suppliers, customers, contractors, and consultants; and (c) information regarding the skills and compensation of other employees of the Company or any Affiliate. You acknowledge and agree that the Proprietary Information is not generally known or available to the public and has been acquired, compiled, and developed by the Company or any Affiliate at their great effort and expense, and that the Company and its Affiliates are engaged in a highly competitive business and that their competitive position and commercial value depends upon their ability to maintain the confidentiality of the Proprietary Information. You further acknowledge and agree that improperly disclosing, divulging, revealing or using any of the Proprietary Information will be highly detrimental to the Company and its Affiliates, and that serious loss of business and damage would result.

b. **Non-Solicitation.** During your employment by the Company or any Affiliate and continuing one year thereafter, you will not directly or indirectly induce: (a) any employee of the Company or any Affiliate to terminate or negatively alter his or her relationship with the Company or any Affiliate; or (b) any actual or prospective customer, supplier, vendor, consultant, or contractor of the Company or any Affiliate to terminate or negatively alter his, her, or its actual or potential relationship with the Company or any Affiliate. If any restriction set forth in this Section 9(b) is found to be unenforceable because it extends for too long a period of time, over too great a range of activities, or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable. You understand and agree that these obligations shall not expire and shall be tolled during, and so extended by the length of, any period in which you are in non-compliance.

c. **Confidentiality.** Subject to Section 8, at all times during and after your employment, you will hold in strictest confidence and will not indirectly or directly disclose or use any of the Proprietary Information (as defined above), except as may be required by your work for the Company or any Affiliate.

10. **Acquired Rights.** In accepting the Award, you acknowledge that:

- a. the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;
- b. the Award of PSUs is voluntary and occasional and does not create any contractual or other right to receive future Awards of PSUs, or benefits in lieu of PSUs even if PSUs have been awarded repeatedly in the past;
- c. all decisions with respect to future Awards, if any, will be at the sole discretion of the Company;
- d. your participation in the Plan is voluntary;

e. the PSUs are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or to your actual employer, and PSUs are outside the scope of your employment contract, if any;

f. the PSUs are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments;

g. neither the PSUs nor any provision of this Agreement, the Plan or the policies adopted pursuant to the Plan confer upon you any right with respect to employment, continuation of current employment or retirement eligibility, and in the event that you are not an employee of the Company or any subsidiary of the Company, the PSUs shall not be interpreted to form an employment contract or relationship with the Company or any Affiliate;

h. the future value of the underlying Shares is unknown and cannot be predicted with certainty;

i. the value of Shares acquired on vesting of PSUs may increase or decrease in value;

j. no claim or entitlement to compensation or damages arises from the termination of the PSUs, and no claim or entitlement to compensation or damages shall arise from any diminution in value of the PSUs or Shares received upon the vesting of the PSUs resulting from the termination of your entitlement by the Company or any Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release the Company and any Affiliate from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, you shall be deemed irrevocably to have waived your entitlement to pursue such claim; and

k. subject to Section 2(c) above, in the event of a termination of your employment (whether or not in breach of local labor laws), your right to receive PSUs and vest under the Plan, if any, will terminate effective as of the date of your actual termination of employment and will include any notice period mandated under local law (e.g., any period of "garden leave" or other similar notice period pursuant to local law); furthermore, in the event of involuntary termination of employment (whether or not in breach of local labor laws), your right to receive Shares pursuant to the PSUs after termination of employment, if any, will be measured by the date of your actual termination of employment and will include any notice period mandated under local law.

11. **Language.** If you have received this or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

12. **No Guaranteed Employment.** Nothing contained in this Agreement or in the Grant Notice (including, for the avoidance of doubt, the vesting schedule set forth in the Grant Notice) shall affect the right of the Company or any of its Affiliates to terminate the Holder's employment at any time, with or without Cause, or shall be deemed to create any rights to or any express or implied promise of employment, continued employment or retirement eligibility. The rights and obligations arising under this Agreement are not intended to and do not affect the Holder's employment relationship that otherwise exists between the Holder and the Company or any of its Affiliates, whether such employment relationship is at will or defined by an employment contract. Moreover, this Agreement is not intended to and does not amend any existing employment contract between the Holder and the Company or any of its Affiliates; to the extent there is a conflict between this Agreement and such an employment contract, the employment contract shall govern and take priority.

13. **Power of Attorney.** The Company (including its successors and assigns) is hereby appointed the attorney-in-fact, with full power of substitution, of the Holder for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instruments which such attorney-in-fact may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. The Company, as attorney-in-fact for the Holder, may in the name and stead of the Holder, make and execute all conveyances,

assignments and transfers of the PSUs, Dividend Equivalents, other property issued in respect of such PSUs, Shares and any property provided for herein, and the Holder hereby ratifies and confirms that which the Company, as said attorney-in-fact, shall do by virtue hereof. Nevertheless, the Holder shall, if so requested by the Company, execute and deliver to the Company all such instruments as may, in the judgment of the Company, be advisable for this purpose.

14. **WAIVER of Jury Trial.** Each party to this Agreement, for itself and its affiliates, hereby irrevocably and unconditionally waives to the fullest extent permitted by applicable law all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to the actions of the parties hereto or their respective affiliates pursuant to this Agreement or in the negotiation, administration, performance or enforcement of this Agreement.

15. **Interpretation.** All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement.

16. **Mode of Communications.** The Holder agrees, to the fullest extent permitted by applicable law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or any of its Affiliates may deliver in connection with this grant of PSUs, including, without limitation, prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. The Holder further agrees that electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or the online brokerage account system.

17. **No Waiver.** No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

18. **Severability.** If any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties hereto shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties hereto that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives. The illegality, unenforceability or invalidity of any provision of this Agreement shall not affect the legality, enforceability or validity of any other provision of this Agreement.

19. **Counterparts.** This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

20. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York, regardless of the law that might be applied under principles of conflict of laws. Each party hereby irrevocably submits to the exclusive jurisdiction of the federal and state courts of New York located in the borough of Manhattan in New York City in respect of the interpretation and enforcement of the provisions of this Agreement. Each party hereby waives and agrees not to assert, as a defense in any action, suit or proceeding for the interpretation and enforcement hereof, that such action, suit or proceeding may not be brought or is not maintainable in such courts or that the venue thereof may not be appropriate or that this Agreement may not be enforced in or by such courts. Each party hereby consents to and grants any such court jurisdiction over the person of such parties and over the subject matter of any such action, suit or proceeding and agrees that the mailing of process or other papers in connection with any such action, suit, or proceeding in the manner provided in Section 6 hereof or in such other manner as may be permitted by law shall be valid and sufficient service thereof.

21. **Miscellaneous.**

a. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, personal legal representatives, successors, trustees, administrators,

distributees, devisees and legatees. The Company may assign to any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or any Affiliate by which the Holder is employed, and require such successor to expressly assume and agree in writing to perform, this Agreement.

b. The Holder agrees that the Award of the PSUs hereunder is special incentive compensation and that it, any Dividend Equivalents or any other property issued in respect of such PSUs will not be taken into account as "salary" or "compensation" or "bonus" in determining the amount of any payment under any pension, retirement or profit-sharing plan of the Company or any life insurance, disability or other benefit plan of the Company, unless specifically provided in the applicable plan.

c. No modification or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

22. **Section 409A and Section 457A.** To the extent the Committee determines that any payment under this Agreement is subject to Section 409A or Section 457A of the Code, the provisions of Section 13.10 of the Plan (including, without limitation, the six-month delay relating to "specified employees") shall apply.

ANNEX A
TO PARTNER UNIT PLAN PERFORMANCE SHARE UNIT GRANT NOTICE
PARTNER UNIT PLAN PERFORMANCE SHARE UNIT AGREEMENT

Subject to the provisions of the Grant Notice and the Agreement, the number of PSUs covered by this Agreement that will vest on the Performance Vesting Date (the “**Final Adjusted Units**”) will be determined by a three-step calculation:

1. *Calculate the Core Metrics Payout Percent:* The Core Metrics Payout Percent will be determined by adding the Three-Year Cumulative Adjusted EBITDA Payout Percent and the Three-Year Cumulative Adjusted EPS Payout Percent as follows:

$$\begin{aligned} & (50\% \times \text{Three-Year Cumulative Adjusted EBITDA Payout Percent}) \\ & \quad + \\ & (50\% \times \text{Three-Year Cumulative Adjusted EPS Payout Percent}) \\ & \quad = \\ & \text{Core Metrics Payout Percent} \end{aligned}$$

The performance payout range for each of the Three-Year Cumulative Adjusted EBITDA and Three-Year Cumulative Adjusted EPS is 0 percent to 167 percent of the Target Number of Units Granted. If either Core Metric is between “Minimum” and “Target” or “Target” and “Maximum” performance for such Core Metric (each as set forth in the Metrics Summary), the payout percent with respect to such Core Metric will be determined using straight line interpolation based on the actual achievement of the Core Metric. If neither Core Metric is met at Minimum, no Shares will vest under this Award regardless of TSR Rank.

2. *Calculate the Core Metrics Units Earned:* The Core Metrics Units Earned will be determined by multiplying the Target Number of Units Granted by the Core Metrics Payout Percent as follows:

$$\begin{aligned} & \text{Target Number of Units Granted} \times \text{Core Metrics Payout Percent} \\ & \quad = \\ & \text{Core Metrics Units Earned} \end{aligned}$$

3. *Apply the Three-Year Relative TSR Multiple:* The number of Final Adjusted Units will be determined by multiplying the Core Metrics Units Earned by the Three-Year Relative TSR Multiple (as set forth in the Metrics Summary) as follows:

$$\begin{aligned} & \text{Core Metrics Units Earned} \times \text{Three-Year TSR Multiple} \\ & \quad = \\ & \text{Final Adjusted Units} \end{aligned}$$

If the Company’s Three-Year Relative TSR Percentile Rank (as set forth in the Metrics Summary) is between the 35th and 50th percentiles or 50th and 75th percentiles, the Three-Year TSR Multiple will be determined using straight line interpolation based on the Company’s actual Three-Year Relative TSR Percentile Rank. If the aggregate TSR of the Company common shares over the TSR Rank Measurement Period is negative, then the Three-Year TSR Multiple cannot exceed 1.0x.

For avoidance of doubt, the Target Number of Units Granted as set forth on the first page of the Grant Notice reflects a total number in the event each of the Three-Year Cumulative Adjusted EBITDA and the Three-Year Cumulative Adjusted EPS are satisfied at “Target” performance level and the Company’s Three-Year Relative TSR Percentile Rank is at the 50th Percentile.

The payout opportunity for the Award, combined in Steps 1 to 3, is 0 percent to 200 percent of Target. Notwithstanding the above and the numerical goals set forth in the Metrics Summary, the maximum payout opportunity for the Award (maximum number of Final Adjusted Units) cannot exceed 200% of Target.

The Three-Year Cumulative Adjusted EBITDA numerical goals will be adjusted by the Committee to reflect the pro forma impact of acquisitions or divestitures by the Company during the Performance Period.

The Core Metrics (including the Target) and associated payouts may be adjusted by the Committee in its discretion due to (i) unforeseen changes to the macroeconomic business environment, (ii) unanticipated regulatory change or (iii) changes in US GAAP or the application thereof that would materially affect the Core Metrics.

IHS MARKIT LTD.

**AMENDMENT TO AMENDED AND RESTATED
TERMS OF EMPLOYMENT**

Amendment dated as of March 9, 2021 (this "Amendment") to the Amended and Restated Terms of Employment dated April 2, 2017 (the "Employment Agreement") between IHS Global Inc. (the "Company") and Jonathan Gear ("Executive").

W I T N E S S E T H

WHEREAS, pursuant to the Employment Agreement, Executive is currently employed as Executive Vice President, Chief Financial Officer of IHS Markit Ltd. ("IHS Markit");

WHEREAS, in connection with the execution of this Amendment, IHS Markit has entered into an Agreement and Plan of Merger, dated as of November 29, 2020 (the "Signing Date"), with S&P Global Inc., a New York corporation ("Parent") and Sapphire Subsidiary, Ltd., a Bermuda exempted company limited by shares and a wholly-owned, direct subsidiary of Parent ("Merger Sub," and with IHS Markit and Parent, the "Parties") (the "Merger Agreement"), pursuant to which the Parties would effect a business combination through the merger of Merger Sub with and into IHS Markit, with IHS Markit being the surviving company and a wholly-owned, direct subsidiary of Parent; and

WHEREAS, the Company and Executive have agreed to amend the terms and conditions of the continued employment of Executive, effective as of the Signing Date.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by each of the parties, the Company and Executive hereby agree as follows:

1. AMENDMENTS

- a. The Company and Executive agree that, in lieu of Section 3(d)(v) of the Employment Agreement, subject to the consummation of the transactions under the Merger Agreement, any unvested performance-based equity awards held by Executive and granted prior to the consummation of the transactions under the Merger Agreement shall be treated as set forth in the Merger Agreement.
- b. Section 3(g)(ii) of the Employment Agreement is hereby amended and restated in its entirety as follows:

“**Good Reason**” means the occurrence of any of the following: (A) the material diminution of your position (including titles, reporting relationships and compensation opportunity compared to similarly situated executives at the Company), duties or responsibilities, excluding immaterial actions not taken in bad faith; (B) the breach by the Company or other applicable member of the Affiliated Group of any of its material obligations under this letter agreement, excluding immaterial actions (or failures or action) not taken (or

omitted to be taken) in bad faith; or (C) the Company's relocation of your principal location of work by more than 50 miles (other than any relocation recommended or consented to by you); it being understood, however, that you may be required to travel on business to other locations as may be required or desirable in connection with the performance of your duties as specified in this letter agreement. Notwithstanding the foregoing, none of the events in clauses (A) through (C) above shall constitute Good Reason for purposes of this letter agreement unless (x) you provide the Company with a written notice specifying the circumstances alleged to constitute Good Reason within 90 days after you become aware of the first occurrence of such circumstances, (y) the Company or other member of the Affiliated Group fails to cure such circumstances in all material respects within 30 days following delivery to the Company of such notice and (z) your Termination Date occurs within 30 days following the expiration of the foregoing cure period, unless another Termination Date is mutually agreed to between you and the Company, which such Termination Date shall not be later than 6 months following the date you provided written notice to the Company."

- c. The provision titled "Annual Cash Incentive Compensation" on Exhibit A of the Employment Agreement is hereby amended and restated in its entirety as follows:

"Annual Cash Incentive Compensation - For each fiscal year, your target cash incentive opportunity is 100% of your Annual Base Salary (the "**Target Cash Incentive**") and the actual incentive payment may range from 0% – 200% of target, based on IHS Markit's performance and achievement of your individual performance objectives, as determined by the HR Committee."

2. EFFECTIVENESS OF AMENDMENT

This Amendment will become effective on the Signing Date. Except as amended by the terms of this Amendment, the Employment Agreement will remain in full force and effect in accordance with its terms.

[Remainder of Page Left Intentionally Blank]

Please acknowledge your agreement with the terms of this Amendment by signing and dating the enclosed copy and returning it to me.

Sincerely,

IHS MARKIT LTD.

/s/ Sari Granat

Name: Sari Granat

Title: Executive Vice President, Chief
Administrative Officer and General Counsel

Accepted and Agreed:

/s/ Jonathan Gear
(Signature)

March 11, 2021
(Date)

IHS MARKIT LTD.

**AMENDMENT TO AMENDED AND RESTATED
TERMS OF EMPLOYMENT**

Amendment dated as of March 9, 2021 (this "Amendment") to the Amended and Restated Terms of Employment dated July 16, 2018 (the "Employment Agreement") between Markit North America, Inc. (the "Company") and Sari Granat ("Executive").

W I T N E S S E T H

WHEREAS, pursuant to the Employment Agreement, Executive is currently employed as Executive Vice President, Chief Administrative Officer, General Counsel and Secretary of the Company;

WHEREAS, in connection with the execution of this Amendment, IHS Markit Ltd. ("IHS Markit") has entered into an Agreement and Plan of Merger, dated as of November 29, 2020 (the "Signing Date"), with S&P Global Inc., a New York corporation ("Parent") and Sapphire Subsidiary, Ltd., a Bermuda exempted company limited by shares and a wholly-owned, direct subsidiary of Parent ("Merger Sub," and with IHS Markit and Parent, the "Parties") (the "Merger Agreement"), pursuant to which the Parties would effect a business combination through the merger of Merger Sub with and into IHS Markit, with IHS Markit being the surviving company and a wholly-owned, direct subsidiary of Parent; and

WHEREAS, the Company and Executive have agreed to amend the terms and conditions of the continued employment of Executive, effective as of the Signing Date.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by each of the parties, the Company and Executive hereby agree as follows:

1. AMENDMENTS

- a. The Company and Executive agree that, in lieu of Section 3(e)(iv)(B) of the Employment Agreement, subject to the consummation of the transactions under the Merger Agreement, any unvested performance-based equity awards held by Executive and granted prior to the consummation of the transactions under the Merger Agreement shall be treated as set forth in the Merger Agreement.
- b. The provision titled "Annual Cash Incentive Compensation" on Exhibit A of the Employment Agreement is hereby amended and restated in its entirety as follows:

"Annual Cash Incentive Compensation - For each fiscal year, your target cash incentive opportunity is 100% of your Annual Base Salary (the "**Target Cash Incentive**") and the actual incentive payment may range from 0% – 200% of target, based on IHS Markit's performance and achievement of your individual performance objectives, as determined by the HR Committee."

2. EFFECTIVENESS OF AMENDMENT

This Amendment will become effective on the Signing Date. Except as amended by the terms of this Amendment, the Employment Agreement will remain in full force and effect in accordance with its terms.

[Remainder of Page Left Intentionally Blank]

Please acknowledge your agreement with the terms of this Amendment by signing and dating the enclosed copy and returning it to me.

Sincerely,

IHS MARKIT LTD.

/s/ Jonathan Gear

Name: Jonathan Gear

Title: Executive Vice President, Chief

Financial Officer

Accepted and Agreed:

/s/ Sari Granat

(Signature)

March 11, 2021

(Date)

IHS MARKIT LTD.

**AMENDMENT TO AMENDED AND RESTATED
TERMS OF EMPLOYMENT**

Amendment dated as of March 9, 2021 (this "Amendment") to the Amended and Restated Terms of Employment dated February 15, 2018 (the "Employment Agreement") between Markit North America, Inc. (the "Company") and Adam Kansler ("Executive").

W I T N E S S E T H

WHEREAS, pursuant to the Employment Agreement, Executive is currently employed as Executive Vice President, Executive Vice President, Financial Services of the Company;

WHEREAS, in connection with the execution of this Amendment, IHS Markit Ltd. ("IHS Markit") has entered into an Agreement and Plan of Merger, dated as of November 29, 2020 (the "Signing Date"), with S&P Global Inc., a New York corporation ("Parent") and Sapphire Subsidiary, Ltd., a Bermuda exempted company limited by shares and a wholly-owned, direct subsidiary of Parent ("Merger Sub," and with IHS Markit and Parent, the "Parties") (the "Merger Agreement"), pursuant to which the Parties would effect a business combination through the merger of Merger Sub with and into IHS Markit, with IHS Markit being the surviving company and a wholly-owned, direct subsidiary of Parent; and

WHEREAS, the Company and Executive have agreed to amend the terms and conditions of the continued employment of Executive, effective as of the Signing Date.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by each of the parties, the Company and Executive hereby agree as follows:

1. AMENDMENTS

- a. The Company and Executive agree that, in lieu of Section 3(e)(iv)(B) of the Employment Agreement, subject to the consummation of the transactions under the Merger Agreement, any unvested performance-based equity awards held by Executive and granted prior to the consummation of the transactions under the Merger Agreement shall be treated as set forth in the Merger Agreement.
- b. The provision titled "Annual Cash Incentive Compensation" on Exhibit A of the Employment Agreement is hereby amended and restated in its entirety as follows:

"Annual Cash Incentive Compensation - For each fiscal year, your target cash incentive opportunity is 100% of your Annual Base Salary (the "**Target Cash Incentive**") and the actual incentive payment may range from 0% – 200% of target, based on IHS Markit's performance and achievement of your individual performance objectives, as determined by the HR Committee."

2. EFFECTIVENESS OF AMENDMENT

This Amendment will become effective on the Signing Date. Except as amended by the terms of this Amendment, the Employment Agreement will remain in full force and effect in accordance with its terms.

[Remainder of Page Left Intentionally Blank]

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT, AS AMENDED**

I, Lance Uggla, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of IHS Markit Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 23, 2021

/s/ Lance Uggla

Lance Uggla

Chairman and Chief Executive Officer

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT, AS AMENDED**

I, Jonathan Gear, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of IHS Markit Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 23, 2021

/s/ Jonathan Gear

Jonathan Gear

Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Each of the undersigned hereby certifies, for the purposes of section 1350 of chapter 63 of title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as an officer of IHS Markit Ltd. (the "Company"), that, to his knowledge, the Quarterly Report on Form 10-Q of the Company for the period ended February 28, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company. This written statement is being furnished to the Securities and Exchange Commission as an exhibit to such report. A signed original of this statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: March 23, 2021

/s/ Lance Uggla

Lance Uggla

Chairman and Chief Executive Officer

/s/ Jonathan Gear

Jonathan Gear

Executive Vice President and Chief Financial Officer