



Tax Consequences to Holders of IHS Common Stock (US and Non-US)

The information in this document provides general answers to questions U.S. shareholders of IHS Inc. may have about the tax consequences of the merger of IHS Inc. and Markit Ltd. which was completed on July 12, 2016.

As a result of the merger, each issued and outstanding share of IHS Inc. common stock was exchanged into 3.5566 common shares of IHS Markit Ltd. (formerly known as Markit Ltd.) plus cash in lieu of any fractional shares based on then prevailing market prices. **For U.S. shareholders of IHS, this exchange of shares is treated as a taxable transaction in 2016 for U.S. federal income tax purposes.** For non-U.S. holders of IHS common stock, the tax consequences of this merger will vary by tax jurisdiction.

The information in this document is general in nature and may not apply to your particular tax or financial situation and should not be considered individual tax advice. **Consult your professional tax advisor for specific guidance on how the merger has affected or will affect your personal tax situation.** For details of the U.S. tax consequences of the merger, you should review the Registration Statement on [Form F-4 filed by IHS Markit Ltd.](#) (formerly known as Markit Ltd.) with the SEC available on the IHS Markit Investor Relations website at <http://investor.ihsmarkit.com/>.

The following references and terms used in this document are more fully described at the end of this document: IHS Inc., Markit Ltd., IHS Markit Ltd., merger, IHS shareholders, Markit shareholders, shareholders, and closing date.

Tax Consequences to U.S. Holders of IHS Common Stock

What are the tax consequences of the merger to U.S. holders of IHS common stock?

In general, subject to the discussion below relating to the potential application of Section 304 of the U.S. Internal Revenue Code, a U.S. holder will recognize gain or loss equal to the difference between (i) the fair market value of the IHS Markit common shares received by such U.S. holder in the merger (including cash in lieu of any fractional IHS Markit common shares) and (ii) the aggregate tax basis in the IHS common stock surrendered in the merger.

Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. holder's holding period for the IHS common stock surrendered exceeds one year at the effective time of the merger.



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I did not sell my IHS stock. Why is my broker reporting on a Form 1099 that my IHS stock was sold/disposed of in the merger?

For U.S. shareholders, the exchange of IHS stock for IHS Markit common shares in the merger was a taxable transaction. The exchange was generally reported as a sale of IHS stock for

proceeds in the form of IHS Markit common shares with a value equal to the fair market value of IHS Markit common shares as of the closing date of the merger.

Shareholders (other than those exempt from information reporting in the U.S.) should receive a Form 1099 from their bank or broker in February 2017 reporting the proceeds of the merger.

How were the proceeds on the Form 1099 determined?

The proceeds of the exchange of IHS stock for IHS Markit common shares in the merger were determined by multiplying the number of IHS shares you held by \$116.94. This value was determined by multiplying \$32.88, the fair market value of one common share of Markit Ltd. as of the closing date of the merger, by the 3.5566 exchange ratio. The \$32.88 fair market value of Markit Ltd. was determined by averaging the high and low trading prices of one Markit Ltd. common share on the NASDAQ on July 12, 2016.

How do I calculate my gain/loss?

If you were a U.S. shareholder of IHS stock at the time of the merger, you will generally recognize capital gain or loss in 2016 equal to the difference between the value of the IHS Markit common shares you received (valued at \$32.88 per IHS Markit common share), including cash in lieu of any fractional IHS Markit common shares) and the cost basis of your IHS stock. The cost basis of your IHS stock generally is the purchase price you paid for the stock plus the costs of the purchase such as commissions or transfer fees. U.S. employees who received Restricted Stock Units under the IHS Inc. Long Term Incentive Plan will have different rules and will include in the adjusted cost basis the fair market value of the shares on the vest date.

What is my basis in my new IHS Markit (INFO) common shares?

A U.S. holder's aggregate tax basis in the IHS Markit common shares received in exchange for IHS stock will generally be \$32.88 per share, which is equal to the fair market value of IHS Markit common shares as of the closing date of the merger.

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Where can I find documentation of the share values described in the question above to give to my tax preparer?

IHS Markit has posted an [Internal Revenue Service Form 8937](#) on our investor relations webpage that provides:

- a) The fair market value of one IHS Markit Ltd. common share at the time of the merger: \$32.88
- b) The fair market value of 3.5566 IHS Markit Ltd. common shares at the time of merger: \$116.94
- c) A description of the tax consequences of the exchange of IHS stock for IHS Markit common shares in the merger

Go to www.ihsmarkit.com. Click on the Investor Relations link, then click on Financial Information, and finally click on [IRS Form 8937](#).

Is the gain/loss long-term or short-term?

Your gain or loss will be long-term capital gain or loss if you held your IHS shares for more than a year prior to the closing date. Gain or loss must be calculated separately for each block of IHS stock if blocks of IHS stock were acquired at different times or for different prices.

When did my holding period in my new IHS Markit common shares begin?

The holding period for the IHS Markit common shares received in exchange for IHS stock began on July 13, 2016, the day after the closing date.

What is Section 304 of the U.S. Internal Revenue Code and how might it be applicable to me?

If you were holding shares of both Markit and IHS at the time of the merger, the entire value of the IHS Markit common shares you received in exchange for your IHS stock in the merger could be treated as a dividend rather than a sale or exchange, under Section 304 of the U.S. Internal Revenue Code. This is described more fully in Amendment No. 1 to the Form F-4 Registration Statement filed by Markit Ltd. with the Securities and Exchange Commission on June 6, 2016. Consult your professional tax advisor for guidance.

Am I subject to the Net Investment Income Tax?

Individuals receiving net investment income, which includes dividends and capital gains, among other items, are subject to a 3.8% Net Investment Income Tax on all or a portion of those income items if their modified adjusted gross income for a calendar year (including the net

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investment income items) exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), or \$125,000 for a married individual filing a separate return. For information about the Net Investment Income Tax, please visit <http://www.irs.gov/Individuals/Net-Investment-Income-Tax>.

Are the capital gains and losses subject to state tax?

Generally yes, unless state tax law specifically exempts or excludes such gains and losses. Please contact your tax advisor about the application of these rules to you.

Am I subject to U.S. backup withholding tax?

Under certain U.S. federal income tax rules, information reporting requirements may apply, including providing your bank or broker with a Social Security number, and an IRS Form W-9 or W-8BEN, as applicable, to establish that you are not subject to backup withholding. Contact your bank or broker for more information.

Why is the merger a taxable transaction for U.S. holders of IHS stock?

In this transaction, IHS stock was exchanged for IHS Markit Ltd. common shares in a transaction which did not qualify as a tax-free "reorganization" under the U.S. Internal Revenue Code. Even if the transaction had qualified as a tax-free "reorganization," U.S. holders of IHS stock still would have been required to recognize taxable gain on the exchange, because business combinations where the stock in a U.S. company is exchanged for stock in a foreign company generally results in the recognition of taxable gain for U.S. shareholders of the U.S. company under U.S. tax rules, if those shareholders collectively receive more than 50 percent of the stock of the foreign company in the transaction.

Tax Consequences to Non-U.S. Holders of IHS Stock

Are non-U.S. holders of IHS stock liable for U.S. federal income tax on the merger?

In general, a non-U.S. holder of IHS Markit common shares will not be subject to U.S. federal income tax or U.S. federal withholding tax on any gain recognized on the exchange of IHS stock for IHS Markit common shares in the merger, unless:

- The gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the U.S., and if required by an applicable tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the U.S.; or
- The non-U.S. holder is a nonresident alien individual present in the U.S. for 183 days or more during the taxable year of the sale or disposition, and certain other requirements are met.



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Non-U.S. holders of IHS stock should consult with their tax advisor for more information.

I am a non-U.S. taxpayer. Why did my bank/broker withhold U.S. income tax on my IHS stock?

If you were holding shares of both Markit and IHS at the time of the merger, the entire value of the IHS Markit common shares you received in exchange for your IHS stock in the merger could be treated as a dividend rather than a sale or exchange, under Section 304 of the U.S. Internal

Revenue Code. Any amount treated as a dividend could be subject to U.S. withholding tax if you are a non-U.S. taxpayer. This is described more fully in Amendment No. 1 to the Form F-4 Registration Statement filed by Markit Ltd. with the Securities and Exchange Commission on June 6, 2016. Consult your professional tax advisor for guidance.

In addition, under certain U.S. tax reporting rules, you may be subject to U.S. backup withholding if you fail to provide complete and accurate required information to your bank or broker, which may include an IRS Form W-9 or Form W-8BEN, as applicable. Contact your bank or broker for more information.

As a non-U.S. holder of IHS stock, can I receive a refund of U.S. backup withholding tax?

Please contact your tax advisor to determine if a refund is available to you. More information is also available from the IRS at www.irs.gov.

I was a non-U.S. shareholder of IHS stock. Is this transaction taxable in my tax jurisdiction?

Different tax jurisdictions may have different tax treatments. Contact your tax advisor about your specific tax obligations.

Defined Terms

The following references/terms have been used in this document:

- IHS Inc. (“IHS”): the legacy New York Stock Exchange-listed company (ticker symbol: IHS) incorporated in Delaware and headquartered in Englewood, Colorado
- Markit Ltd. (“Markit”): the legacy NASDAQ Stock Exchange-listed company (ticker symbol: MRKT) incorporated in Bermuda and headquartered in London, U.K.
- IHS Markit Ltd.: the company resulting from the merger of IHS and Markit, listed on the NASDAQ Stock Exchange (ticker symbol: INFO), incorporated in Bermuda and headquartered in the London, U.K.
- Merger: the merger of IHS and Markit that was completed on July 12, 2016, subject to the terms and conditions of the merger agreement under which Marvel Merger Sub, Inc., a Delaware corporation and an indirect and wholly owned subsidiary of Markit, merged with and into IHS, with IHS surviving as an indirect and wholly owned subsidiary of Markit. Upon completion of the merger, Markit became the combined group holding company and was renamed IHS Markit Ltd.
- IHS shareholders: individuals/institutions that were holding shares of IHS Inc. at the time of the merger
- Markit shareholders: individuals/institutions that were holding shares of Markit Ltd. at the time of the merger
- Shareholders: include beneficial shareholders, whose shares were held indirectly through a bank or broker, and registered shareholders, whose shares were held directly in the name of the shareholder on the share register maintained by the IHS transfer agent, American Stock Transfer, or the Markit transfer agent, Computershare
- Closing date: July 12, 2016, the consummation date of the merger