

COMPETITION RULES

(hereinafter referred to as the “Rules”)

These Rules are effective from January 1, 2021. All previous rules are cancelled, null and void.

Please read these Competition Rules carefully, all parts of these Rules apply to participation in all Competitions provided by the Company via the Website. You should review all our legal documents before participating in any Competition. If you do not accept these Rules or any of our legal documents, do not use the Website or participate in any Competition.”

1. The Event

- a. Financial Modeling World Cup (hereinafter – FMWC) is a series of financial modeling competitions that are being held every month. During a calendar year, the overall FMWC Rankings are being calculated and updated, based on the participant performance.
- b. FMWC has 3 key goals:
 - i. **Teach.** Promote the educational aspect of financial modeling. Ensure that even the least experienced participants improve their financial modeling skills by solving cases and reviewing the correct answers provided on the FMWC website.
 - ii. **Train.** Promote the training aspect of financial modeling. Give candidates that are going to pass financial modeling certification exams a reasonable set of training exercises under time pressure to best prepare for taking the exams.
 - iii. **Competition.** Promote the sporting aspect of financial modeling. Provide a venue for the world’s top financial modelers to determine the best specialists in the industry.

2. Participants and Age Groups

- a. The World Cup is open to any participant regardless of age, gender, race, place of living or any other limiting factor.
- b. The participants will be divided into groups determined by age: U-25 and Open.
- c. For the FMWC Season 2021, the groups are as follows:
 - i. U-25: (born in 1996 - onward)

- ii. Open: (born in 1995 and earlier)
- d. Participants will be assigned a Group for the Season which will not change regardless of any change in age.

3. Financial Modeling World Cup Competition: Case Studies

- a. The Competition consists of Case Studies (“Case(s)”) consisting of a range of real-life problem-solving questions solvable through the use of Financial Modeling.
- b. Each Stage will normally include 2 (*two*) to 5 (*five*) Cases, with the possibility of additional Cases or alternative relevant activities.
- c. Cases shall be structured as 1 (*one*) to 5 (*five*) pages per Case.
 - i. Each Case will include a number of Questions, typically between 6 (*six*) and 15 (*fifteen*).
 - ii. The complexity of the Questions will vary, with more complex questions awarding more points if answered correctly.
 - iii. The Question format is not standardized and could potentially be multiple-choice, number type-in or other.
 - iv. No answers will be in the form of an essay.
- d. Cases will be varied, including but not limited to:
 - i. Conventional cases.
 - ii. Testing various financial Modeling aspects (*e.g., company valuation, M&A Modeling, debt Modeling, etc.*).
 - iii. “Freestyle” cases.
 - iv. Testing participant abilities to use financial Modeling techniques to solve out-of-the-box cases.
- e. In order to correctly answer Cases, Participants will need to answer the Questions, produce and submit financial models.
 - i. Participants may be provided a basis for the financial model or financial models will be required to be produced from scratch.
- f. Definitions of industry-specific terms and country-specific terms and ratios will be provided as is required.
- g. Financial Model formatting and style will not be judged in FMWC.
- h. After a Stage is complete and the results have been published, possible solutions to the Cases will become available within a reasonable time.
 - i. Cases and solutions from previous Stages will be provided for free only to Participants who took part in the relevant round.

ii. For non-participants, Cases and solutions may be sold separately on the FMWC website.

i. Sample Cases are available on the FMWC website.

4. FMWC Format

- a. Each stage of FMWC takes place online at a flexible time, allowing the candidates to adjust to their time zones and work-life balance. Typically, stages will take place from **Friday 00:01 AM (UTC+0)** till **Monday 11:59 PM (UTC+0)** to allow maximum flexibility to participants.
 - i. Participants who after the previous Stage are ranked Top 30 in the world, Top 5 in each age group or Top 5 in each region, will have to complete the Stage during the first 2 days (e.g., Jan 22-23 for Stage 1).
 - ii. All other participants will have to complete the Stage during the last 2 days (e.g., Jan 24-25 for Stage 1).
- b. The 2h Timeframe begins upon the Participant opting to begin the Competition on the examination Website.
- c. The 2h Timeframe takes into account:
 - i. Downloading all relevant Cases,
 - ii. Reading and analyzing the Cases,
 - iii. Creation of financial models,
 - iv. Completing the relevant answers for Cases,
 - v. Submitting.

5. Points System

- a. The total number of points available for correctly solving all the cases at each stage – 1,000 points per stage. Additional extra point bonuses could be introduced by the organizers with the goal to give extra interest to the competition (e.g., extra 100 points for answering an additional extra-hard question).
- b. If a participant solves all the cases before the 2h deadline, a bonus mark of 10 points is awarded for each full minute saved. It is required that at least 90% of regular points are scored in order to get the bonus marks.
- c. After the stage is over, the participants will have to upload their models. If this is not done upon completion of the participant's work, the participant's results might be annulated.

6. Case Design Team

- a. The Case Design Team is responsible for the Case content creation throughout the season and consists of leading FMWC participants.
- b. The process of how the Case Design Team members will participate in the competition:

- i. Each member can create no more than 1 case per stage,
- ii. Each member can submit a maximum of 4 cases per year,
- iii. The case author will not be solving his/her own case during the stage,
- iv. Case author will have proportionally less time to complete the stage and will receive proportionally more points for completing other cases,
 1. If the Case Design Team member creates a case that is worth 250 points (out of a total of 1000 points per stage), they will have 1 hour and 30 minutes (90 minutes) instead of 2 hours to solve the cases that were created by other authors. If the person scores 450 points during these 90 minutes, they will be awarded $450 / 90 = 5$ points per minute for the remaining 30 minutes that they did not have to complete the stage. In this scenario they would be compensated $5 \text{ pts} * 30 \text{ minutes} = 150$ points, and their score for the stage would be $450 + 150 = 600$ points.
- v. Time bonus points will be increased proportionally as well. In the above-mentioned example, 10 points would be awarded for every 45 seconds saved. However, the Time bonus points can only be applied if they score 900 regular points for the stage. 600 points would not be enough to qualify for the Time bonus points.

7. FMWC Dates

- a. The Financial Modeling World Cup 2021 will take place on the following dates (Friday to Monday):
 - i. Stage 1: January 22-25, 2021
 - ii. Stage 2: February 19-22, 2021
 - iii. Stage 3: March 26-29, 2021
 - iv. Stage 4: April 16-19, 2021 (1 week before FMI exams)
 - v. Stage 5: May 21-24, 2021
 - vi. Stage 6: June 25-28, 2021
 - vii. Stage 7: July 23-26, 2021
 - viii. Stage 8: August 20-23, 2021
 - ix. Stage 9: September 24-27, 2021
 - x. Stage 10: October 15-18, 2021 (1 week before FMI exams)
 - xi. Stage 11: November 19-22, 2021
 - xii. Stage 12: December 17-20, 2021
- b. Future Competition Season and Stage dates shall be announced and posted on the Website, approximately around November 30, 2021.
- c. The competition organizers reserve the right to change the dates of Stages at their sole discretion (*to accommodate for international holidays, etc.*)
 - i. If a date of Stage changes, a Notice shall be provided on the FMWC Website.

8. World Rankings

- a. The Competition utilizes an internal Ranking System which is based upon the Participants' performance.
- b. The Ranking System is unbiasedly handled, calculated and updated on the Website by the organizers, based upon defined criteria.
- c. All rankings and decisions relating to rankings are strictly at the discretion of the organizers, who are under no obligation to disclose any decision-making processes.
- d. Participants will be Ranked globally based on the total number of points accumulated during the current Season. The rankings will be based on the total amount of points scored by each participant on his/her best 10 stages (2 worst performances of each participant will not be counted). Therefore, the maximum amount of points that is possible to score during the 2021 season is 10,000 (not counting any possible time bonus points and extra points).
- e. Additional subsets of World Ratings will be published, *e.g., Top U-25, Top Newcomer, etc.*
- f. Regional subsets of World Ratings will be published, *e.g., Top European Modelers, Top African Modelers, Top Asian Modelers, etc.*
- g. Upon completion of each Stage, an updated World Ratings will be published.
 - i. The World Ratings will be updated on a regular and reasonable basis.
 - ii. The information which will be published includes:
 1. The full list of participants,
 2. World ranking,
 3. Company,
 4. Age group,
 5. Region of the participant,
 6. Country of the participant,
 7. The number of points scored,
 8. Recent Photograph (only for top performers).
- h. The Participants outside the Top 100 World Ratings can opt for their names not to be shown.
 - i. These Participants can opt to only have their World Cup ID number shown.
 - ii. This can be done by contacting the competition organizers via email info@fmworldcup.com

9. Regional Ratings & Champions

- a. The Regional Ratings and Champions follow the same procedure and rules as the World Ratings.
- b. The following 5 Regions will receive individual recognition and awards:
 - i. Africa,
 - ii. Asia/Pacific (*including Australia*),
 - iii. Europe,
 - iv. Latin America,
 - v. North America (*US & Canada*).

10. Financial Modeling World Cup Competition: Tie-Breakers & Draws

- a. In the event 2 (*two*) or more Participants have an equal number of points in the Rankings, in determining the higher-ranked Participant, the following is taken into consideration:
 - i. Less Incorrect Answers: Taking into account the Participant with the lowest total point value of incorrect answers during the Season (i.e., fewer guess attempts).
 - ii. More Time Saved: Taking into account the Participant with the highest amount of Time Saved Bonus during the Season.
 - iii. Best Current Form. Taking into account the Participant with the best result and/or highest Rank on the most recent Stage.
 1. If the most recent Stage results are identical, then the Participant with the best result and/or highest Rank on the second-to-the-last stage will be taken into consideration.
 - a. If the results are still identical, then the previous Stage results shall be evaluated in a similar fashion going backward.
- b. If still the Participants remain tied, then a Draw is announced, and the Participants shall split any title and prize money equally between themselves.
- c. Tie-Breaker procedure will be made only at the end of the season.
 - i. Tie-Breaker procedure will not be calculated for interim world rankings during the Season.

11. Participation Price

- a. The Participation Price at each stage is \$15 for the Open age group and \$10 for the U-25 age group.
- b. A seasonal pass for the World Cup 2021 is available for \$125 and \$85 correspondingly (~30% discount).
- c. The organizers reserve the right to change any Participation Price.

- d. The organizers reserve the right to decline all or part of any Participation in any Competition entry requested.

12. Prize Money

- a. The total prize fund for the 2021 Season is \$20,000 and divided as follows:
- i. Annual Prizes – for the winners of the FMWC Season

Ranking	Amount (In United States Dollars, USD)
Financial Modeling World Cup Winner	\$5,000.00
Financial Modeling World Cup Runner-Up	\$2,000.00
Financial Modeling World Cup 3rd Place	\$1,000.00
Financial Modeling World Cup 4th – 7th Place	\$500.00
Financial Modeling World Cup 8th – 10th Place	\$350.00
Top Under-25 Participant	\$500.00
Top Company	\$1,000.00
Regional Champion of Africa	\$500.00
Regional Champion of Asia/Pacific	\$500.00
Regional Champion of Europe	\$500.00
Regional Champion of Latin America	\$500.00
Regional Champion of North America	\$500.00

- ii. Stage Prizes – for stage winners

Ranking	Amount (In United States Dollars, USD)
Stage Winner	\$200.00 x 12 stages
Top U-25	\$100.00 x 12 stages
Top Newcomer	\$100.00 x 9 stages
Top Newcomer (U-25)	\$50.00 x 9 stages

- b. A participant is considered to be a newcomer and is eligible for the Top newcomer prize during his first three stages at FMWC. The top newcomer award will be awarded starting from Stage 4 to give an incentive for the newcomers to participate at FMWC while they have lower chances to compete for the main seasonal prize.
- c. If a participant is eligible for several prizes (i.e., the FMWC Winner will by default be the Regional Champion of a continent), only the largest prize is awarded (the \$5,000 for the FMWC win in this example). The smaller prize then is awarded to the runner-up in the category (the \$500 Regional Champion prize is then awarded to the second-best participant from the same continent).
- d. The organizers reserve the right to refuse the Prize Money payout if the Participant cannot confirm their identity by submitting a photography of a valid government-issued ID document (only Prize Money recipients can be

asked to confirm their identity).

13. Team Rankings

- a. In addition to regular individual rankings, team rankings are introduced starting from Season 2021.
- b. Participants from the same company or business school are automatically assigned to the corresponding team.
- c. Team rankings are automatically calculated after every stage as a total of the top 3 scorers from the team. These top scorers are determined every stage and could be different people from stage to stage.
- d. Seasonal team rankings are calculated based on 12 stage results. Maximum regular points available for teams during the season are therefore 36,000 points.
- e. The minimum number of participants for a team to be ranked in the team rankings is 2.
- f. A team can have an unlimited maximum number of members. Still, only the results of the best 3 members each stage are counted.

14. Changes in the Rules

- a. The Organizers have the right to change these Rules at their sole discretion.