

Oregon Tool, Inc.
EIN 63-0593908
Attachment to Form 8937

Form 8937, Part I, Lines 9-13

Classification and Description (Line 9)	CUSIP Number (Line 10)	Serial Number (Line 11)	Ticker Symbol (Line 12)	Account Number (Line 13)
2021 Initial Term Loans due 10/16/2028 of Oregon Tool, Inc. (the “ <u>Term Loans</u> ”)	00217HAB7	N/A	N/A	N/A
2021 Senior Notes due 10/15/2029 of Oregon Tool, Inc. (the “ <u>Senior Notes</u> ”)	688777 AA9	N/A	N/A	N/A
2025 Second Lien Term Loans due 10/15/2029 of Oregon Tool Lux LP (the “ <u>NewCo 2L</u> ”)	L7266PAE5	N/A	N/A	N/A
2025 Third Lien Notes due 10/15/2029 of Oregon Tool Lux LP (the “ <u>NewCo 3L</u> ”)	68610B AA2	N/A	N/A	N/A

Form 8937, Part II, Line 14

On February 20, 2025 and March 3, 2025, Oregon Tool Lux LP (“OT Lux”), a special limited partnership (*société en commandite spéciale*) existing under the laws of the Grand Duchy of Luxembourg and disregarded entity for U.S. federal income tax purposes of Oregon Tool, Inc. (“OT”), a Delaware corporation, issued, in the aggregate, approximately \$823.5 million of NewCo 2L and approximately \$71.2 million of NewCo 3L in exchange for approximately \$823.3 million in principal amount of OT’s outstanding Term Loans and approximately \$171.1 million in principal amount of OT’s Senior Notes held by participating lenders (the “Transactions” (and the holders of Term Loans and Senior Notes, the “Holders”)).

In particular, the Transactions were consummated as follows:

- On February 20, 2025, certain Holders of approximately \$637.2 million of Term Loans exchanged such Term Loans for approximately \$598.71 million of NewCo 2L;
- On February 20, 2025, certain Holders of approximately \$45.1 million of Term Loans exchanged such Term Loans for approximately \$38.36 million of NewCo 2L;
- On March 3, 2025, certain Holders of approximately \$137.38 million of Term Loans exchanged such Term Loans for approximately \$114.85 million of NewCo 2L;
- On March 3, 2025, certain Holders of approximately \$3.66 million of Term Loans exchanged such Term Loans for approximately \$3.11 million of NewCo 3L;
- On March 3, 2025, certain Holders of approximately \$15.69 million of Senior Notes exchanged (i) approximately \$8.75 million of such Senior Notes for approximately \$6.56 million of NewCo 2L and (ii) approximately \$6.93 million of such Senior Notes for approximately \$6.24 million of NewCo 3L; and

- On March 3, 2025, certain Holders of approximately \$155.39 million of Senior Notes exchanged (i) approximately \$86.71 million of such Senior Notes for approximately \$65.03 million of NewCo 2L and (ii) approximately \$68.68 million of such Senior Notes for approximately \$61.81 million of NewCo 3L.

The anticipated U.S. federal income tax consequences of the Transactions are described below for the Holders. Further, OT's determinations pursuant to Treasury Regulations Section 1.1273-2(f)(9)(i) (the "Regulation") regarding whether the NewCo 2L and/or the NewCo 3L are "traded on an established market" and their issue price are set forth below.

OT Lux, the issuer of the NewCo 2L and NewCo 3L, is a disregarded entity for U.S. federal income tax purposes that is owned by OT. OT expects to take the position that the exchange of applicable Term Loans and Senior Notes for the NewCo 2L and NewCo 3L, as applicable, resulted in significant modifications within the meaning of Treasury Regulation Section 1.1001-3 with respect to the portions of the Term Loans and Senior Notes exchanged in the Transactions.

The U.S. federal income tax treatment of the Holders will depend, in part, on whether the receipt of NewCo 2L and/or NewCo 3L pursuant to the Transactions qualifies as an exchange of "securities" pursuant to a tax-free recapitalization or if, instead, the receipt of the NewCo 2L and/or NewCo 3L pursuant to the Transactions is treated as a fully taxable disposition. An exchange of Term Loans or Senior Notes may qualify as a recapitalization if the Term Loans or Senior Notes, as the case may be, constitute a "security" for U.S. federal income tax purposes. If the Term Loans or Senior Notes are a "security," an exchange of such "security" would constitute a recapitalization if any of the consideration received in such exchange constitutes a "security." Applicable legal authorities do not provide clear standards for determining whether any instrument is a "security" for U.S. federal income tax purposes. The consequences of the Transactions to the Holders will differ substantially depending on whether any of the Transactions constitute a recapitalization and, if it does, in the case of an exchange for both NewCo 2L and NewCo 3L, whether only one or both of such instruments constitutes a "security." In light of the ambiguity, OT is making this disclosure to provide guidance to the Holders with respect to either result. If a Holder exchanged both Term Loans and Senior Notes, the Holder should determine whether each issue constitutes a security on a separate basis.

See below for additional information on the quantitative effect of the Transactions for the Holders.

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It is not possible to summarize the basis determination described above as one adjustment or percentage of old basis.

If the Transactions Constitute a Recapitalization

If the Transactions constitute a recapitalization for a Holder and all consideration received by the Holder constitutes "securities," then the Holder would not recognize gain or loss on the Transactions for U.S. federal income tax purposes. The Holder's adjusted basis in the Term Loans and/or Senior Notes would carry over to the NewCo 2L and/or NewCo 3L.

If the Holder received only NewCo 2L or NewCo 3L in the Transactions, then the Holder's adjusted basis in the NewCo 2L or NewCo 3L, as applicable, would be equal to the Holder's adjusted basis in the Term Loans or Senior Notes tendered in the applicable Transaction. If the Holder received both NewCo 2L and NewCo 3L in the Transactions and both the NewCo 2L and NewCo 3L constitute

“securities,” then the Holder’s adjusted basis in the Senior Notes must be allocated between the NewCo 2L and NewCo 3L by the relative fair market values of each type of property received.

If the Holder received both NewCo 2L and NewCo 3L in the Transactions and one, but not both, of the NewCo 2L and NewCo 3L constitute a “security,” then such Holder would generally be required to recognize gain (but not loss) to the lesser extent of (i) the amount of gain realized from such exchange (generally equal to the fair market value of the NewCo 2L and NewCo 3L received in the exchange for the Senior Notes minus such Holder’s adjusted basis in such Senior Notes) or (ii) the fair market value of the NewCo 2L or NewCo 3L that is not a “security” received in the applicable exchange.

If the Transactions do not Constitute a Recapitalization

If the Transactions do not constitute a recapitalization for a Holder, then they would constitute a taxable exchange of property under Section 1001 of the Internal Revenue Code of 1986, as amended (the “Code”). The Holder would generally recognize gain or loss on the disposition of the Term Loans and/or Senior Notes exchanged equal to the difference between the value (i.e., the issue price) of the property received and the Holder’s adjusted basis in the property exchanged. The Holder’s basis in the NewCo 2L and/or NewCo 3L received would be equal to the issue price of the NewCo 2L and/or NewCo 3L, as applicable.

Form 8937, Part II, Line 16

The Regulation requires the issuer of a debt instrument to determine whether the debt instrument is “traded on an established market” within the meaning of the Regulation and, if so, the fair market value of the debt instrument. OT has determined that the NewCo 2L issued in the February 20, 2025 and March 3, 2025 exchanges is “traded on an established market” within the meaning of the Regulation and the issue price of the NewCo 2L is 83.00% (expressed as a percentage of the face amount of the loans issued under the NewCo 2L) issued on February 20, 2025 and March 3, 2025. In addition, OT has determined that each issuance of the NewCo 2L on March 3, 2025 is expected to be treated as part of the same issuance for U.S. federal income tax purposes as the issuance of the NewCo 2L on February 20, 2025.

Moreover, pursuant to the exception for small debt issues, OT has determined that the NewCo 3L issued in the March 3, 2025 exchange is not “traded on an established market” within the meaning of the Regulation, but was issued for property (i.e., the Senior Notes) that is “traded on an established market” within the meaning of the Regulation, and that the issue price of the NewCo 3L issued in the March 3, 2025 exchange is 50.28% (expressed as a percentage of the face amount of the notes issued under the NewCo 3L).

As provided by the Regulation, this determination is binding upon all Holders of the NewCo 2L and/or NewCo 3L unless a Holder explicitly discloses on the Holder’s timely filed U.S. federal income tax return for the taxable year that includes its acquisition date of the NewCo 2L and/or NewCo 3L, in accordance with the requirements of the Regulation, that its determination is different from OT’s determination. This notice is only intended to fulfill OT’s notification obligation under the Regulation and does not constitute tax advice. OT urges each Holder to obtain professional tax advice to determine the implications of this notification on the determination of the Holder’s income tax liabilities. The information provided herein is provided solely for U.S. federal income tax purposes.

Form 8937, Part II, Line 17

For any Transactions that constitute a recapitalization, Sections 354(a) and 368(a)(1)(E) of the Code.

For any Transactions that do not constitute a recapitalization, Section 1001 of the Code.

Form 8937, Part II, Line 18

For any Transactions that constitute a recapitalization, no.

For any Transactions that do not constitute a recapitalization, generally yes.

Form 8937, Part II, Line 19

The Transactions occurred on February 20, 2025 and March 3, 2025. The information contained in Form 8937 and this attachment does not constitute tax advice. Holders should consult their tax advisor regarding the application of the Code to a particular circumstance. The reportable tax year is 2025 with respect to calendar year taxpayers.