

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 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> ”)	68607NAB9	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 AB0	N/A	N/A	N/A

Form 8937, Part II, Line 14

On March 31, 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 approximately \$8.87 million of NewCo 2L and approximately \$12.96 million of NewCo 3L in exchange for approximately \$25.54 million in principal amount of OT’s Senior Notes held by a participating lender (the “Transaction” (and the holder of Senior Notes, the “Holder”). In particular, the Holder exchanged (i) approximately \$11.82 million of Senior Notes for approximately \$8.87 million of NewCo 2L and (ii) approximately \$13.72 million of Senior Notes for approximately \$12.96 million of NewCo 3L.

The anticipated U.S. federal income tax consequences of the Transaction are described below for the Holder. 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 Senior Notes for the NewCo 2L and NewCo 3L resulted in significant modifications within the meaning of Treasury Regulation Section 1.1001-3 with respect to the portion of the Senior Notes exchanged in the Transaction.

The U.S. federal income tax treatment of the Holder will depend, in part, on whether the receipt of NewCo 2L and NewCo 3L pursuant to the Transaction qualifies as an exchange of “securities” pursuant to a tax-free recapitalization or if, instead, the receipt of the NewCo 2L and NewCo 3L pursuant to the Transaction is treated as a fully taxable disposition. An exchange of Senior Notes may qualify as a recapitalization if the Senior Notes constitute a “security” for U.S. federal income tax purposes. If the 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 Transaction to the Holder will differ substantially depending on whether the Transaction constitutes a recapitalization and, if it does, whether only one or both of the NewCo 2L and NewCo 3L constitutes a “security.” In light of the ambiguity, OT is making this disclosure to provide guidance to the Holder with respect to either result.

See below for additional information on the quantitative effect of the Transaction for the Holder.

Form 8937, Part II, Line 15

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

If the Transaction Constitutes a Recapitalization

If the Transaction constitutes a recapitalization for the Holder and both the NewCo 2L and NewCo 3L constitute “securities,” then the Holder would not recognize gain or loss on the Transaction for U.S. federal income tax purposes. The Holder’s adjusted basis in the Senior Notes would carry over to the NewCo 2L and NewCo 3L, allocated between the NewCo 2L and NewCo 3L by the relative fair market values of each type of property received.

If one, but not both, of the NewCo 2L and NewCo 3L constitutes a “security,” then the Holder would generally be required to recognize gain (but not loss) to the lesser extent of (i) the amount of gain realized from the exchange (generally equal to the fair market value of the NewCo 2L and NewCo 3L received in the exchange for the Senior Notes minus the 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 exchange.

If the Transaction does not Constitute a Recapitalization

If the Transaction does not constitute a recapitalization for the Holder, then it 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 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 NewCo 3L received would be equal to the issue price of the NewCo 2L and NewCo 3L.

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. Pursuant to the exception for small debt issues, OT has determined that each of the NewCo 2L and the NewCo 3L issued in the 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 2L is 73.66% and NewCo 3L is 45.92% (expressed as a percentage of the face amount of the loans issued under the NewCo 2L and notes issued under the NewCo 3L, respectively), in each case, issued in the exchange.

As provided by the Regulation, this determination is binding upon the Holder unless the 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 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 the 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

If the Transaction constitutes a recapitalization, Sections 354(a) and 368(a)(1)(E) of the Code.

If the Transaction does not constitute a recapitalization, Section 1001 of the Code.

Form 8937, Part II, Line 18

If the Transaction constitutes a recapitalization, no.

If the Transaction does not constitute a recapitalization, generally yes.

Form 8937, Part II, Line 19

The Transaction occurred on March 31, 2025. The information contained in Form 8937 and this attachment does not constitute tax advice. The Holder should consult its tax advisor regarding the application of the Code to a particular circumstance. The reportable tax year is 2025 with respect to calendar year taxpayers.