

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ SEE ATTACHMENT

Blank lined area for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ SEE ATTACHMENT

Blank lined area for indicating if any resulting loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHMENT

Blank lined area for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ 

Date ▶ 9/15/2022

Print your name ▶ Matt Musso

Title ▶ SVP, Tax Services

Paid Preparer Use Only

| | | | | |
|----------------------------|----------------------|------|---|------|
| Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| Firm's name ▶ | | | Firm's EIN ▶ | |
| Firm's address ▶ | | | Phone no. | |

Envision Healthcare Corporation

**Attachment to Form 8937 (Report of Organizational Actions Affecting Basis
of Securities)**

**Information Regarding Trading Information Pursuant to Treas. Reg.
Section 1.1273-2(f)(9)(i)**

The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account any Holder's specific circumstances (including Holders that may be subject to special tax rules or that held the relevant debt as other than a capital asset). Holders are urged to consult their own tax advisors regarding U.S. tax consequences of the transactions described herein and the impact to tax basis resulting from the transactions.

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) |
|--|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| 2018 Initial Term Loan due 10/11/2025 of Envision (the “ <u>Initial Term Loans</u> ”) | 29373UAC5 | N/A | N/A | N/A |
| 2020 Incremental Term Loan due 10/11/2025 of Envision (the “ <u>Incremental Term Loan</u> ”) | 29373UAD3 | N/A | N/A | N/A |
| Envision First Out Tranche | 29373UAE1 | N/A | N/A | N/A |
| Envision Second Out Tranche | 29373UAF8 | N/A | N/A | N/A |
| Envision Third Out Tranche | 29373UAG6 | N/A | N/A | N/A |
| Envision Fourth Out Tranche | N/A | N/A | N/A | N/A |

Form 8937, Part II, Line 14

Prior to the closing on August 1, 2022, all lenders of the Initial Term Loans and Incremental Term Loans under the first lien credit facility (the “Existing Term Loans,” and such lenders, the “Holders”) of Envision Healthcare Corporation, a Delaware corporation (“Envision”) were provided the opportunity to participate in a uptier priming transaction (the “Transaction”), with lenders holding approximately 96% of the outstanding principal balance of the Existing Term Loans electing to participate. Pursuant to the Transaction, participating lenders were able to elect to provide their pro rata share of a \$300 million new money first out tranche, convert certain of their Existing Term Loans into the second out tranche at a 17% discount to par, and convert the remainder of their Existing Term Loans into the third out tranche at par (with such conversions becoming effective on August 1, 2022). Non-participating lenders’ Existing Term Loans were continued as fourth out tranche.

After the Transaction closed, Envision’s first lien term loan facility consisted of a \$300 million first out tranche, an approximately \$2.2 billion second out tranche, an approximately \$1.0 billion third out tranche, and an approximately \$189.0 million fourth out tranche (collectively, the “New Tranches”).

The anticipated U.S. federal income tax consequences of the Transaction are described below for the Holders.

Form 8937, Part II, Line 15

Envision expects to take the position that there was a “significant modification” within the meaning of Treasury Regulations Section 1.1001-3 of the portion of the Holders’ Existing Term Loans converted into the second out tranche as a result of the modification of certain terms of the Existing Term Loans in the second out tranche (the “Second Out Conversion”).

While analysis is ongoing, Envision expects to take the position that there was not a significant modification of the portion of the Holders’ Existing Term Loans converted into the third out tranche or continued as fourth out tranche (the “Third Out Conversion & Fourth Out Continuation”), except with respect to any conversion of Incremental Term Loans into the third out tranche as a result of the modification of certain terms of the Incremental Term Loans in the third out tranche (the “2020 Loan Conversion”). Accordingly, for U.S. federal income tax purposes Envision expects to take the position that there was a deemed exchange of Existing Term Loans converted into the second out tranche pursuant to the Second Out Conversion, as well as a deemed exchange of Incremental Term Loans converted into the third out tranche pursuant to the 2020 Loan Conversion.

With respect to the Third Out Conversion & Fourth Out Continuation, other than the 2020 Loan Conversion, a Holder should retain its aggregate tax basis and holding period in the Existing Term Loans that were converted into the third out tranche or continued as fourth out tranche. Envision does not have any information on any Holder's tax basis or holding period in the Existing Term Loans held by it.

With respect to the Second Out Conversion and the 2020 Loan Conversion, the U.S. federal income tax treatment of the Holders will depend, in part, on whether the receipt of the relevant New Tranches pursuant to such deemed exchanges qualifies as an exchange of "stock or securities" pursuant to a tax-free reorganization or if, instead, the receipt of the New Tranches pursuant to the Transaction is treated as a fully taxable disposition. Such determination will depend on, among other things, whether the Existing Term Loans and the relevant New Tranches each constituted a "security" within the meaning of U.S. federal income tax law.

- a. Although not free from doubt, Envision expects to take the position that the receipt by the Holders of the respective New Tranches pursuant to such deemed exchanges would not qualify as a recapitalization under Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the "Code") and would instead be treated as a taxable disposition pursuant to Section 1001 of the Code.
- b. A Holder should take an aggregate tax basis in the respective New Tranches received equal to their issue price. The holding period for the New Tranches received should begin on August 1, 2022.
- c. Envision does not have any information on any Holder's tax basis or holding period in the Existing Term Loans held by it.

Form 8937, Part II, Line 16

The tax basis consequences described above will apply to the New Tranches received.

Envision's determinations pursuant to Treasury Regulations Section 1.1273-2(f)(9)(i) regarding whether the New Tranches are "traded on an established market" and their issue prices are expected to be set forth in a future statement posted by Envision.

Form 8937, Part II, Line 17

The tax treatment is based on the following Code sections and subsections:

Sections 354(a), 358, 368(a)(1)(E), 1001, 1012, 1273, 1274

Form 8937, Part II, Line 18

If the receipt of New Tranches under the Transaction qualifies as an exchange of stock or securities pursuant to a tax-free reorganization for U.S. federal income tax purposes, no loss can be recognized.

If there is a deemed exchange of all or a portion of the Existing Term Loans held by a Holder for New Tranches as described above, and if the receipt of New Tranches by such Holder does not qualify as an exchange of stock or securities pursuant to a tax-free reorganization for U.S. federal income tax purposes, the receipt of the relevant New Tranches may result in a loss to a Holder in an amount generally equal to the excess (if any) of the Holder's adjusted tax basis in its Existing Term Loan exchanged for such New Tranches over the fair market value of such New Tranches received.

Form 8937, Part II, Line 19

The Transaction's final phase was effective on August 1, 2022. 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 2022 with respect to calendar year taxpayers.