

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

18 Can any resulting loss be recognized? ▶ SEE ATTACHMENT

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

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 ▶ 7/6/2022

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 claims or equity interests as other than a capital asset). Holders are urged to consult their own tax advisors regarding U.S. tax consequences of the transaction described herein and the impact to tax basis resulting from the transaction.

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 Loan</u> ")	29373UAC5	N/A	N/A	N/A
New Second Lien Term Loans issued 6/2/2022 (the " <u>New Second Lien Term Term Loans</u> ")	N/A	N/A	N/A	N/A

Form 8937, Part II, Line 14

On June 2, 2022, among other transactions, certain subsidiaries of Envision Healthcare Corporation, a Delaware corporation ("Envision") incurred approximately \$30.7 million of new second lien term loans (the "New Second Lien Term Loans") and used the proceeds to consummate negotiated open market repurchases of approximately \$46.8 million in principal amount of Envision's outstanding Initial Term Loan (the "Term Loan") from participating term lenders (the "Transaction"). The parties that funded the New Second Lien Term Loans pursuant to the Transaction are the same parties that held the Term Loans that were subject to repurchase (the "Holdings").

The anticipated U.S. federal income tax consequences of the Transaction are described below for the Holders. Further, Envision's determinations pursuant to Treasury Regulations Section 1.1273-2(f)(9)(i) (the "Regulation") regarding whether the New Second Lien Term Loans are "traded on an established market" and their issue price is set forth below.

Form 8937, Part II, Line 15

Because the proceeds of the New Second Lien Term Loans were used by Envision to repurchase the Term Loan from the same parties that funded the New Second Lien Term Loans, for U.S. federal income tax purposes, Envision expects to take the position that the New Second Lien Term Loans were exchanged for the Term Loan (*i.e.*, the cash funding will be ignored).

The U.S. federal income tax treatment of the Holders will depend, in part, on whether the receipt of repurchase payments pursuant to the Transaction qualifies as an exchange of "stock or securities" pursuant to a tax-free reorganization or if, instead, the receipt of the repurchase payments pursuant to the Transaction is treated as a fully taxable disposition. Such determination will depend on, among other things, whether the Term Loan and New Second Lien Term Loans each constitutes a "security" within the meaning of U.S. federal income tax law.

- a. Envision expects to take the position that the receipt by the Holders of the New Second Lien Term Loans will qualify as a recapitalization under Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the "Code").
- b. Accordingly, a Holder should receive an aggregate tax basis in the New Second Lien Term Loans held by it equal to its aggregate tax basis in its Term Loan transferred, *plus* the portion of New Second Lien Term Loans treated as received in satisfaction of accrued but untaxed interest (or OID) on the Term Loan. The holding period for the New Second Lien Term Loans should include the holding period for the Term Loan transferred.
- c. Envision does not have any information on any Holder's tax basis or holding period in the Term Loan held by it.

- d. Envision is taking the position that each of the Term Loan and the New Second Lien Term Loans qualifies as a security for U.S. federal income tax purposes.

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

Form 8937, Part II, Line 16

Because Envision expects to take the position that the Transaction constitutes a recapitalization under Section 368(a)(1)(E) of the Code, the tax basis consequences described above will apply to the New Second Lien Term Loans received.

In addition, 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. Envision has determined that the New Second Lien Term Loans are "traded on an established market" within the meaning of the Regulation and the issue price of the New Second Lien Term Loans is equal to the issue price of the original second lien term loans that were issued in April 29, 2022, which is 94.275% (expressed as a percentage of the face amounts of the New Second Lien Term Loans), because the New Second Lien Term Loans are expected to be fungible with the original issuance.

As provided by the Regulation, this determination is binding upon all holders of the New Second Lien Term Loans unless a Holder explicitly discloses, in accordance with the requirements of the Regulation, that its determination is different from Envision's determination on the Holder's timely filed U.S. federal income tax return for the taxable year that includes its acquisition date of the New Second Lien Term Loans.

This notice is only intended to fulfill Envision's notification obligation under the Regulation and does not constitute tax advice. Envision 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

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

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

Form 8937, Part II, Line 18

If the receipt of New Second Lien Term Loan 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 the receipt of New Second Lien Term Loan under the Transaction 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 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 Term Loan over the fair market value of its pro rata share of New Second Lien Term Loan received under the Transaction.

Form 8937, Part II, Line 19

The Transaction occurred on June 2, 2022. The information contained in Form 8937 and this attachment does not constitute tax advice. Creditors and shareholders 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.