



**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

Multiple horizontal lines for providing details for question 17.

18 Can any resulting loss be recognized? ▶ SEE ATTACHMENT

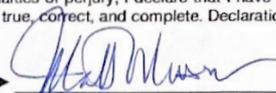
Multiple horizontal lines for providing details for question 18.

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

Multiple horizontal lines for providing details for question 19.

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 ▶ 11/7/2022

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)**

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 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)
Envision Second Out Tranche	29373UAF8	N/A	N/A	N/A
Envision Third Out Tranche	29373UAG6	N/A	N/A	N/A
New First Lien Term Loans (the “ <u>New First Lien Term Loans</u> ”)	03233AAB6	N/A	N/A	N/A

## Form 8937, Part II, Line 14

On September 23, October 17, October 20, and October 28 of 2022, certain subsidiaries of Envision Healthcare Corporation, a Delaware corporation (“Envision”) issued approximately \$4.2 million, \$17.0 million, \$63.4 million, and \$106.2 million, respectively, of new first lien term loans (the “New First Lien Term Loans”), and it is expected that the proceeds will be used to consummate negotiated open market repurchases of approximately \$11.7 million, \$43.0 million, \$138.7 million, and \$222.6 million, respectively, in principal amount of outstanding term loans issued by Envision (the “Existing Term Loans”) from participating term lenders (collectively, the “Transactions”). The parties that funded New First Lien Term Loans on any date are expected to be the same parties that hold Existing Term Loans that will be repurchased using the proceeds of such funding (the “Holders”). The repurchases are anticipated to occur once trades in respect of the applicable Existing Term Loans are settled.

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

## Form 8937, Part II, Line 15

Because the proceeds of any issuance of New First Lien Term Loans will be used by Envision to repurchase Existing Term Loans from the same parties that funded such issuance, for U.S. federal income tax purposes, Envision expects to take the position that each issuance of New First Lien Term Loans will be treated as exchanged for the Existing Term Loans that are repurchased using the proceeds of such New First Lien Term Loans (*i.e.*, the cash funding will be ignored) in a significant modification within the meaning of Treasury Regulation section 1.1001-3.

The U.S. federal income tax treatment of the Holders will depend, in part, on whether the receipt of New First Lien Term Loans pursuant to the Transactions qualifies as an exchange of “stock or securities” pursuant to a tax-free reorganization or if, instead, the receipt of the New First Lien Term Loans pursuant to the Transactions is treated as a fully taxable disposition. Such determination will depend on, among other things, whether for any issuance of New First Lien Term Loans, such New First Lien Term Loans and the applicable Existing Term Loans subject to repurchase each constitute a “security” within the meaning of U.S. federal income tax law.

- a. Envision expects to take the position that, for any issuance of New First Lien Term Loans (the “2018 New First Lien Term Loans”) the proceeds thereof are used to repurchase the 2018 Third Out Tranche (as defined below), such exchange will qualify as a recapitalization under Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the “Code”). However, for any issuance of New First Lien Term Loans where the proceeds thereof are used to repurchase either (i) the 2020 Third Out Tranche (as defined below), or (ii) the second out tranche of the Existing Term Loans, such exchange would not qualify as a recapitalization under Section 368(a)(1)(E) of the Code and would instead be treated as a taxable disposition pursuant to Section 1001 of the Code. For purposes of this filing, (A) the “2020 Third Out Tranche” shall mean that portion of the third out tranche of the Existing Term Loans that was originally exchanged for 2020 Incremental

Term Loans due 10/11/2025 pursuant to that certain uptier priming transaction on August 1, 2022, and (B) the “2018 Third Out Tranche” shall mean the third out tranche of the Existing Term Loans, other than the 2020 Third Out Tranche.

- b. Accordingly, except with respect to the 2018 New First Lien Term Loans, a Holder should receive an aggregate tax basis in the New First Lien Term Loans received equal to their issue price and the holding period for the New First Lien Term Loans received should begin on September 23, October 17, October 20, and October 28 of 2022, as applicable.
- c. With respect to the 2018 New First Lien Term Loans, a Holder should receive an aggregate tax basis equal to its aggregate tax basis in the Existing Term Loans subject to repurchase in respect thereof, *plus* the portion of 2018 New First Lien Term Loans treated as received in satisfaction of accrued but unpaid interest (or OID) on such Existing Term Loans. The holding period for the 2018 New First Lien Term Loans should include the holding period for such exchanged Existing Term Loans, except to the extent treated as received for accrued but unpaid interest.
- d. Envision does not have any information on any Holder’s tax basis or holding period in the Existing Term Loans held by it.
- e. Envision is taking the position that each of the 2018 Third Out Tranche and the New First 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 Transactions for the Holders.

### **Form 8937, Part II, Line 16**

The tax basis consequences described above will apply to the New First Lien Term Loans received.

In addition, Envision has determined that each issuance of the New First Lien Term Loans is expected to be fungible for U.S. federal income tax purposes with the original issuance of the New First Lien Term Loans on April 29, 2022. The issue price of the original issuance was 99.25% (expressed as a percentage of the face amount).

This information is provided for informational purposes only 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 1001, 1012, 1273, 1274, 1275, 368(a)(1)(E), 354(a), 358

### **Form 8937, Part II, Line 18**

If the receipt of New First Lien Term Loans under the Transactions 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 First Lien Term Loans under the Transactions 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 Existing Term Loans over the fair market value of its pro rata share of New First Lien Term Loans received under the Transactions.

**Form 8937, Part II, Line 19**

The Transactions occurred on September 23, October 17, October 20, and October 28 of 2022, respectively. 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.