



**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 listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ See attachment.


Multiple horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment.

Multiple horizontal lines 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 ▶ 7/18/2024

Print your name ▶ Tom Miller

Title ▶ Vice President of Tax

**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 ▶		Phone no.	
Firm's address ▶				

TransDigm Inc.  
1301 East 9th St., Cleveland, OH 44114  
EIN: 34-1750032

Attachment to Form 8937

**Report of Organizational Actions Affecting Basis of Securities**  
*Debt Exchange – Exchange of Tranche I Term Loans and Tranche J Term Loans for New Tranche J Term Loans*

The information contained in Form 8937 and this attachment does not constitute tax advice and is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the Debt Exchange Transaction described herein. In addition, this information does not address tax consequences applicable based on the individual circumstances of lenders of any of the loans described below that participated in the Debt Exchange Transaction, or any non-income, foreign, state, or local tax consequences of the Debt Exchange Transaction.

Accordingly, lenders of any of the loans described below that participated in the Debt Exchange Transaction are strongly urged to consult with their own tax advisors to determine the particular U.S. federal, state, local, foreign or other tax consequences of such Debt Exchange Transaction to them, including the impact on tax basis resulting therefrom.

**Part I**

**Line 9. For each security involved in the organizational action, the requested information (classification and description) is as follows:**

Those Tranche I term loans ("Tranche I Term Loans"), Tranche J term loans ("Tranche J Term Loans") and those refinanced Tranche J term loans ("New Tranche J Term Loans") made pursuant to the Second Amended and Restated Credit Agreement dated as of June 4, 2014, as amended and restated (the "Credit Agreement"), among TransDigm Inc., a Delaware corporation (the "Borrower"), TransDigm Group Incorporated, a Delaware corporation, each subsidiary of the Borrower from time to time party thereto, the lenders party thereto and Goldman Sachs Bank USA, as administrative agent and collateral agent for the lenders (the "Administrative Agent").

**Line 10. For each security involved in the organizational action, the requested information (CUSIP number) is as follows:**

Tranche J Term Loans	89364MCA0
Tranche I Term Loans	89364MCC6
New Tranche J Term Loans	89364MCA0

## **Part II**

**Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action:**

Pursuant to the 16<sup>th</sup> amendment to the Credit Agreement, effective as of June 4, 2024, (i) certain Tranche I Term Loan lenders agreed to convert certain Tranche I Term Loans in an aggregate principal amount of \$2,643,853,151.34 (the "Converted Tranche I Term Loans") into the same principal amount of New Tranche J Term Loans, (ii) certain Tranche J Term Loan lenders agreed to convert certain Tranche J Term Loans in an aggregate principal amount of \$952,576,590 (the "Converted Tranche J Term Loans") into the same principal amount of New Tranche J Term Loans and (iii) certain lenders were issued \$44,923,410 in an aggregate principal amount of New Tranche J Term Loans for cash (the "Refinancing New Tranche J Term Loans"), which cash proceeds were used to pay down \$44,923,410 in aggregate principal amount of Tranche J Term Loans at par.

The exchange of Converted Tranche I Term Loans and Converted Tranche J Term Loans for the same principal amount of New Tranche J Term Loans is referred to herein as the "Debt Exchange Transaction".

**Line 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis:**

Each lender of Converted Tranche I Term Loans received a specified principal amount of New Tranche J Term Loans equal to the amount of such Converted Tranche I Term Loans exchanged for such New Tranche J Term Loans. The terms of the New Tranche J Term Loans vary in several respects from the terms of the Converted Tranche I Term Loans by, among other things, providing for a later maturity date and a different rate of interest.

Additionally, each lender of Converted Tranche J Term Loans received a specified principal amount of New Tranche J Term Loans equal to the amount of such Converted Tranche J Term Loans exchanged for such New Tranche J Term Loans. The terms of the New Tranche J Term Loans provide for a significantly different interest rate than the Converted Tranche J Term Loans.

The Borrower believes that the exchanged Converted Tranche I Term Loans and Converted Tranche J Term Loans will each be treated as having undergone a "significant modification" under the applicable Treasury regulations. Accordingly, each converting lender generally will be treated as having exchanged its Converted Tranche I Term Loans or its Converted Tranche J Term Loans for the corresponding amount of the New Tranche J Term Loans in an exchange for U.S. federal income tax purposes.

While not free from doubt, the Borrower intends to treat each of the Converted Tranche I Term Loans, Converted Tranche J Term Loans and New Tranche J Term Loans as "securities" for U.S. federal income tax purposes. Assuming that each of the Converted Tranche I Term Loans,

Converted Tranche J Term Loans and New Tranche J Term Loans are “securities” for U.S. federal income tax purposes, the Debt Exchange Transaction would be treated as a recapitalization under Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the “Code”).

Assuming that the Debt Exchange Transaction constituted a recapitalization, for a lender of Converted Tranche I Term Loans or Converted Tranche J Term Loans that participated in the Debt Exchange Transaction, such lender should not recognize gain or loss pursuant to the Debt Exchange Transaction. Further, such lender’s initial basis in the New Tranche J Term Loans received in the Debt Exchange Transaction should be equal to such lender’s adjusted basis in the Converted Tranche I Term Loans or Converted Tranche J Term Loans exchanged for such New Tranche J Term Loans immediately prior to the Debt Exchange Transaction. Lenders should consult their own tax advisors regarding the particular tax consequences of the Debt Exchange Transaction to them.

**Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates:**

As described in Item 15, assuming the Debt Exchange Transaction qualified for recapitalization treatment, a converting lender generally will have a tax basis in the New Tranche J Term Loans received in the exchange equal to such Lender’s adjusted basis in the Converted Tranche I Term Loans and the Converted Tranche J Term Loans exchanged for such New Tranche J Term Loans immediately before the Debt Exchange Transaction.

**Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based:**

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

**Line 18. Can any resulting loss be recognized?**

Assuming the Debt Exchange Transaction constituted a recapitalization under Section 368(a)(1)(E) of the Code, neither the lenders of Converted Tranche I Term Loans nor the lenders of the Converted Tranche J Term Loans that participated in the Debt Exchange Transaction can recognize loss realized in such exchange.

**Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year:**

The tax consequences of the Debt Exchange Transaction should be reported by each applicable lender in its tax year that includes the date of June 4, 2024.

Assuming the Debt Exchange Transaction qualifies for recapitalization treatment, the holding period for the New Tranche J Term Loans received in the Debt Exchange Transaction generally would include the holding period for such Converted Tranche I Term Loans and Converted Tranche J Term Loans exchanged for such New Tranche J Term Loans.

The New Tranche J Term Loans exchanged for the Converted Tranche I Term Loans and the Converted Tranche J Term Loans will be treated as part of the same issue for U.S. federal income tax purposes as the Refinancing New Tranche J Term Loans which were newly issued for cash. As the Refinancing New Tranche J Term Loans did not constitute a substantial amount of the New Tranche J Term Loans, the issue price of the New Tranche J Term Loans will be their fair market value as of their issue date as determined pursuant to Treasury regulation Section 1.1273-2(b). The fair market value of the New Tranche J Term Loans as of their issuance was par. Accordingly, the issue price for U.S. federal income tax purposes of the New Tranche J Term Loans (including the New Tranche J Term Loans exchanged for the Converted Tranche I Term Loans and the Converted Tranche J Term Loans and the Refinancing New Tranche J Term Loans) was par.

The New Tranche J Term Loans were issued without any original issue discount for U.S. federal income tax purposes. The issue date for the New Tranche J Term Loans was June 4, 2024.

Lenders should consult their own tax advisors to determine the tax consequences to them of the exchange of the Converted Tranche I Term Loans and the Converted Tranche J Term Loans for New Tranche J Term Loans pursuant to the Debt Exchange Transaction.