



**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 ATTACHED FORM 8937 APPENDIX A

**18** Can any resulting loss be recognized? ▶ \_\_\_\_\_

SEE ATTACHED FORM 8937 APPENDIX A

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_

SEE ATTACHED FORM 8937 APPENDIX A

**Sign Here**

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.

Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

Print your name ▶ Ian Simmonds Title ▶ Chief Financial Officer

<b>Paid Preparer Use Only</b>	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.



## **Form 8937 Appendix A**

**Issuer:** TPG Specialty Lending, Inc.

**CUSIP:** 87265KAD4 (4.50% Convertibles Notes due 2022)

**Line 14 – Description of Organizational Action.** On February 19, 2020, TPG Specialty Lending, Inc.’s (or “TSLX”) Board of Directors declared a variable supplemental cash dividend of \$0.06 per share of TSLX’s common stock with a record date of February 28, 2020, to be paid on March 31, 2020. Section 13.04(a) of the Indenture for TSLX’s 4.50% Convertible Notes due 2022 (or “2022 Notes”) provides for an increase in the Conversion Rate in connection with this dividend.

**Line 15 – Quantitative Effect of Organizational Action.** Section 13.04(a) of the 2022 Notes provides for an increase in the conversion rate in connection with the dividend mentioned above on the Ex-Dividend Date, February 27, 2020.

### **Conversion Rate Adjustment Calculation Illustration:**

$$CR_1 = CR_0 \times \frac{SP_0 - T}{SP_0 - C}$$

where,

$CR_0$  = the conversion rate in effect immediately prior to the open of business on the ex-dividend date for such dividend or distribution;

$CR_1$  = the conversion rate in effect immediately after the open of business on the ex-dividend date for such dividend or distribution;

$SP_0$  = the last reported sale price of our common stock on the trading day immediately preceding the ex-dividend date for such dividend or distribution;

$T$  = the initial dividend threshold; provided that if the dividend or distribution is not a regular quarterly cash dividend, the initial dividend threshold will be deemed to be zero; and

$C$  = the amount in cash per share we distribute to holders of our common stock.

Pursuant to IRC Section 305(b)(2) and 305(c), the Conversion Rate Adjustment results in a deemed distribution to the holders of TSLX’s 2022 Notes. The conversion rate is **48.5285** common shares per \$1,000 principal amount of 2022 Notes. The deemed distribution as a result of the increase in Conversion Rate of the 2022 Notes is **\$2.91** per \$1,000 principal amount of 2022 Notes, and the 2022 Notes holders are entitled to an increase in basis by a like amount. TSLX had earnings and profits in excess of the deemed distributions.

**Line 16 – Calculation of the Change in Basis.** Sample calculation: A holder of 2022 Notes has \$1,000 basis in \$1,000 par amount of 2022 Notes. The holder of these 2022 Notes will increase its basis in such 2022 Notes by \$2.91 as a result of the increase in Conversion Rate of the 2022 Notes in connection with the dividend mentioned above on the Ex-Dividend Date of February 27, 2020.

**Line 17 – Code Sections Upon Which Tax Treatment is Based.** IRC Sections 305(b)(2), 305(c), 301(c), 301(d) and 316.

**Line 18 – Recognition of Any Resulting Loss.** This is not a loss transaction.



**Line 19 – Reportable Tax Year.** The reportable tax year is 2019 for taxpayers reporting taxable income on a calendar year basis.