







## **Form 8937 Appendix A**

**Issuer:** Sixth Street Specialty Lending, Inc.

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

**Line 14 – Description of Organizational Action.** On November 4, 2020, TSLX’s Board of Directors declared a cash quarterly variable supplemental dividend of \$0.10 per share of TSLX’s common stock with a record date of November 30, 2020, to be paid on December 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 these dividends.

**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 dividends mentioned above on the Ex-Dividend Date, November 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 **50.4660** 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 **\$5.05** 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 \$5.05 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 November 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 2020 for taxpayers reporting taxable income on a calendar year basis.