

**Report of Organizational Actions  
Affecting Basis of Securities**

OMB No. 1545-0123

▶ See separate instructions.

**Part I Reporting Issuer**

**1** Issuer's name **2** Issuer's employer identification number (EIN)

Remington Outdoor Company, Inc.

26-0174491

**3** Name of contact for additional information

**4** Telephone No. of contact

**5** Email address of contact

Charles Thurman

336-548-8640

charles.thurman@remington.com

**6** Number and street (or P.O. box if mail is not delivered to street address) of contact

**7** City, town, or post office, state, and ZIP code of contact

870 Remington Drive P.O. Box 700

Madison, NC 27025-0700

**8** Date of action

**9** Classification and description

May 15, 2018

New Remington Equity, Exit ABL Facility, Exit Term Loan

**10** CUSIP number

**11** Serial number(s)

**12** Ticker symbol

**13** Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**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 ▶ See attached

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**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 ▶ See attached

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**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 ▶ See attached

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**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

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18 Can any resulting loss be recognized? ▶ See attached

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

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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 ▶ 7/13/18

Print your name ▶ Charles L. Therman Title ▶ Tax Director Asst. Secretary

<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.

**Remington Outdoor Company, Inc.**

**FEIN: 26-0174491**

**Attachment to Form 8937**

**Report of Organizational Actions Affecting Basis of Securities**

Disclaimer: The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to consider any shareholder's or note holder's specific circumstances. Shareholders and note 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.

**Remington Outdoor Company, Inc.**  
**FEIN: 26-0174491**  
**Attachment to Form 8937**  
**Report of Organizational Actions Affecting Basis of Securities**

**Form 8937, Part II, Line 14**

On March 25, 2018 (the "Petition Date"), Remington Outdoor Company, Inc. ("Remington"), along with FGI Operating Company, LLC ("FGI Opco") and certain of its U.S. subsidiaries (together, the "Debtors") filed a *Joint Prepackaged Chapter 11 Plan of Remington Outdoor Company, Inc. and its Affiliated Debtors and Debtors in Possession* (the "Bankruptcy Filing") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Bankruptcy Filing was amended and supplemented on April 30, 2018 (the "Amended Plan") (the Bankruptcy Filing, together with the Amended Plan and any applicable amendments thereto are referred to as the "Plan"). On May 4, 2018 (the "Confirmation Date"), the Bankruptcy Court entered an order approving and confirming the Plan. On May 15, 2018 (the "Effective Date"), Remington satisfied the conditions of the Plan and the Plan became effective. Unless otherwise described herein, capitalized terms are defined as used in the Bankruptcy Filing on March 25, 2018 or in the Amended Plan filed April 30, 2018.<sup>1</sup>

On or before the Effective Date, the Debtor executed the following series of transactions pursuant to the Plan (the "Transaction"):

- 1.) Holders of the old common stock and warrants of Remington ("Old Remington Common Stock") (the "Old Equity Claims") interests were cancelled and extinguished and received no consideration in respect of their equity interests in Remington;
- 2.) Holders of claims arising on account of the Third Lien Notes Indenture ("Third Lien Notes Claims") and claims arising on account of the Term Loan Agreement ("Term Loan Claims") (the "Notes Claims"), received new equity (*i.e.*, common stock and warrants) of reorganized Remington (the "New Remington Stock") and cash in exchange for such holders' cancellation and forgiveness of such claims (collectively, the Notes Claims and the Old Equity Claims are the "Allowed Claims");
- 3.) Holders of the \$193 million superpriority debtor-in-possession asset-based revolving credit facility ("DIP ABL Facility"), the component of the Term/ROC DIP Facility made available by the Term DIP Lenders to Remington ("Term DIP Facility"), and all other General Unsecured Claims were not impaired in the Bankruptcy Filing (collectively the "Unimpaired Claims") and were reinstated in full or satisfied in the ordinary course of business.

The following describes in greater detail the exchange of consideration between Remington and the following holders of Allowed Claims of Remington in the Transaction.

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<sup>1</sup> All capitalized terms not defined in this disclosure are as defined in the Plan.

### **Treatment of Holders of Term Loan Claims**

Pursuant to the Plan, the Term Loan Claims included claims by holders of the Term Loan Agreement dated as of April 19, 2012 and were allowed in the amount of \$557,539,690 (including accrued and unpaid interest as of the Petition Date),<sup>2</sup> plus any other amounts and obligations payable under the Term Loan Agreement as of the Petition Date.

On the Effective Date, the holders of the Term Loan Claims were entitled to receive, in full and final satisfaction of such claims, each holder's Pro Rata share of:

- (i) 82.5% of the New Remington Stock,
- (ii) to the extent such holder is an Electing Term Loan Lender, its Pro Rata Class 4 Shares of either (a) the Litigation Trust Class A Interests, or (b) any amounts allocated for distribution to the Electing Term Loan Lenders under a Litigation Settlement, and
- (iii) to the extent not previously paid to the Term Loan Lenders in accordance with the terms of the Interim DIP Order, Cash in an amount equal to the approximately \$2.67 million interest payment that was due to the Term Loan Lenders on February 1, 2018.

### **Treatment of Holders of Third Lien Notes Claims**

Pursuant to the Plan, the Third Lien Notes Claims included claims by holders of the 7.875% Senior Secured Notes due 2020 and were allowed in the amount of \$230,759,948 (including accrued and unpaid interest as of the Petition Date),<sup>3</sup> plus any other amounts and obligations payable under the Third Lien Notes Indenture as of the Petition Date.

On the Effective Date, the holders of the Third Lien Notes Claims were entitled to receive, in full and final satisfaction of such claims, each holder's Pro Rata share of:

- (i) 17.5% of the New Remington Stock,
- (ii) the Third Lien Noteholder Cash Distribution,<sup>4</sup>
- (iii) the four-year warrants for 15% of New Remington Stock at a strike price calculated based on a \$700 million enterprise value ("New Warrants"), and
- (iv) to the extent such holder is an Electing Third Lien Noteholder, its Pro Rata Class 5 Shares of either: (a) the Litigation Trust Class B Interests, or (b) any amounts allocated for distribution to the Electing Third Lien Noteholders under a Litigation Settlement. To the extent not previously paid by FGI Opco to Remington in accordance with the terms of the Interim DIP Order, on the Effective Date, FGI Opco transferred Cash to Remington in

<sup>2</sup> Consists of \$550,475,000 outstanding principal and \$7,064,690 accrued and unpaid interest.

<sup>3</sup> Consists of \$226,012,000 outstanding principal and \$4,747,948 accrued and unpaid interest.

<sup>4</sup> The Third Lien Noteholder Cash Distribution equaled \$35,132,247, of which \$34,819,591 was paid with respect to the Third Lien Notes Claims and \$312,656 was with respect to interest.

an amount equal to \$924,376 for reimbursement of fees and costs previously paid by Remington between January 30, 2018 and March 16, 2018.

### **Treatment of Holders of Old Remington Common Stock**

Pursuant to the Plan, the Old Equity Claims were canceled on the Effective Date and no holder of Old Remington Common Stock (or warrants) received a distribution under the Plan.

### **Form 8937, Part II, Line 15**

#### **Effect on Basis to U.S. Holders**

In the Transaction, each holder of a Third Lien Notes Claim, Term Loan Claim, and Old Remington Common Stock exchanged its Allowed Claim for the right to receive consideration described in Line 14 of this Form 8937.

*A "U.S. Holder" means a beneficial owner of a Third Lien Notes Claim, Term Loan Claim, or Old Remington Common Stock, that is: (a) an individual citizen or resident of the United States for U.S. federal income tax purposes; (b) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (c) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (d) a trust (i) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more United States persons have authority to control all substantial decisions of the trust or (ii) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.*

#### **Effect on Basis to U.S. Holders of Claims that Constitute Securities**

The exchange (or deemed exchange) of a Claim that constitutes a "security" for U.S. federal income tax purposes, for the consideration in the Transaction is intended to be treated as part of a "reorganization" within the meaning of Section 368(a). A U.S. Holder of a Claim that received consideration in exchange for a Claim as part of a reorganization generally is not expected to recognize gain or loss unless the holder also received a portion of the Their Lien Noteholder Cash Distribution (which consisted of \$34,819,591 paid with respect to the Third Lien Notes Claims and \$312,656 was with respect to interest) in the Transaction, in which case the holder generally would recognize gain (but not loss) on the exchange, but only up to the amount of any cash received. In addition, a U.S. Holder is expected to have interest income to the extent of any exchange consideration allocable to accrued but unpaid interest not previously included in income.

A U.S. Holder's tax basis in stock or securities received in the Transaction in exchange for a Claim (apart from any portion thereof allocable to interest) in the case where the exchange is a Section 368(a) reorganization generally is expected to equal such holder's adjusted tax basis in the stock or securities

surrendered, less the amount of cash and the fair market value of any other property received, plus the amount of gain or interest income recognized by the holder, and a holder's holding period in such stock or securities received (apart from any portion thereof allocable to interest) generally includes the holder's holding period in the stock or securities surrendered except to the extent of any consideration received in respect of accrued but unpaid interest.

To the extent any portion of a U.S. Holder's share of the consideration is allocable to interest on its Claim that accrued while such holder held the Claim, such portion is generally treated as interest income to the U.S. Holder. A U.S. Holder's tax basis in stock or securities received on account of accrued but unpaid interest generally is expected to be equal to the fair market value of such stock or securities, and the holder's holding period for such stock or securities generally begins on the day after the day of receipt.

#### **Effect on Basis to U.S. Holders of Claims that Do Not Constitute a Security**

A U.S. Holder of a Claim that does not constitute a security for U.S. federal income tax purposes that is exchanged for stock, securities, cash, and/or other property generally recognizes gain or loss in an amount equal to the difference, if any, between (i) the aggregate fair market value of New Remington Stock, New Warrants, if applicable, and Third Lien Noteholder Cash Distribution in the exchange in respect of such Claim (other than any exchange consideration received in respect of a claim for accrued but unpaid interest and possibly accrued original issue discount), and (ii) the U.S. Holder's adjusted tax basis in the Claim exchanged (other than any tax basis attributable to accrued but unpaid interest and possible accrued original issue discount).

A U.S. Holder's tax basis in the property received in a taxable exchange generally equals the fair market value of such property. A U.S. Holder's holding period in the property generally begins on the day following the day of receipt.

To the extent any portion of the U.S. Holder's recovery is allocable to accrued but unpaid interest on a Claim that accrued while such holder held the Claim, such portion is expected to be treated as interest income to the U.S. Holder.

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

To the extent that a Claim constituted a security for U.S. federal income tax purposes and the exchange constituted a reorganization pursuant to Section 368(a), a U.S. Holder's aggregate tax basis in the New Remington Stock or a Remington security received in respect of its Claims generally equals such U.S. Holder's aggregate tax basis in its respective Claim surrendered in the Transaction, increased by any gain recognized and decreased by any boot received (e.g., cash). The aggregate tax basis allocated to the New Remington Stock and/or Remington securities is divided by the number of shares of each respective stock or security to determine the tax basis of each share of the respective consideration. If a U.S. Holder received more than one type of stock or security consideration, then the aggregate tax basis in its Claim allocated to the stock or security received is expected to be allocated pro rata based on the relative fair market values of the respective consideration.

The tax basis of the boot received by U.S. Holders (e.g., cash) is expected to equal the fair market value of the boot received.

To the extent a Claim did not constitute a security, the tax basis of any consideration received by a U.S. Holder of such Claim under the Plan is expected to equal its fair market value.

**Form 8937, Part II Line 17**

Sections 354, 356, 358, 1001, and 1012.

**Form 8937, Part II Line 18**

**Claim Holders**

The Transaction generally is not intended to result in a recognizable loss to U.S. Holders of a Claim to the extent such Claim constitutes a security for U.S. federal tax purposes and the exchange qualifies as a tax-free reorganization pursuant to Section 368(a). Holders of a Claim should consult their individual tax advisors to determine the tax consequences of the Transaction to them. To the extent a Claim did not constitute a tax security, the Transaction is expected to result in a recognizable gain or loss to a holder to the extent the tax basis in their Claim was greater than or less than the fair market value of the cash or other consideration received in exchange therefor.

**Old Remington Equity Holders**

A U.S. Holder of Old Remington Common Stock may be eligible for a worthless stock deduction pursuant to Section 165 of the Internal Revenue Code. The rules governing the character, timing, and amount of worthless stock or securities deductions place considerable emphasis on the facts and circumstances of the U.S. Holder, the obligor, and the instrument with respect to which a deduction is claimed. U.S. Holders of Old Remington Common Stock, therefore, are urged to consult their tax advisors with respect to their ability to take such a deduction.