



**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

18 Can any resulting loss be recognized? ▶ See Attachment

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

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 ▶

*[Handwritten Signature]*

Date ▶

3/5/18

Print your name ▶

Christopher S. Casey

Title ▶

VP-Tax

**Paid Preparer Use Only**

Print/Type preparer's name

William J. Campbell

Preparer's signature

*[Handwritten Signature]*

Date

03/05/18

Check  if self-employed

PTIN

P01347101

Firm's name ▶ Ernst & Young U.S. LLP

Firm's EIN ▶

34-6565596

Firm's address ▶ 200 Clarendon Street, Boston, MA 02116

Phone no.

617-266-2000

## **WEX Inc.**

### **Attachment to Form 8937, Report of Organizational Action Affecting Basis of Securities**

The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code of 1986, as amended (the “Code”).

Holders of Existing Term Loan (as defined below) should consult their own tax advisors regarding the particular tax consequences of the Exchange (as defined below) to them, including the applicability and effect of all U.S. federal, state and local and non-U.S. tax laws.

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

On January 17, 2018 (the “Amendment Date”), WEX Inc. (“WEX”), Bank of America, N.A., as administrative agent, and the other parties thereto entered into the Third Amendment to Credit Agreement (the “Amendment”) with respect to the Credit Agreement dated as of July 1, 2016 (the “Credit Agreement”). The Amendment altered certain provisions applicable to the Term B-2 Loans that were outstanding under the Credit Agreement prior to the Amendment Date (the “Existing Term Loan”). In addition, WEX requested an increase in the Term B-2 Loan in the amount of \$153,000,000. WEX has determined that the Amendment constitutes a “significant modification” of the Existing Term Loan within the meaning of Treasury Regulation § 1.1001-3(e), resulting in a deemed exchange (the “Exchange”) of the Existing Term Loan for a new Term B-2 Loan (“New Term Loan”) for U.S. federal income tax purposes.

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

The exchange of Existing Term Loan for New Term Loan pursuant to the Exchange should qualify as a “recapitalization” (within the meaning of Section 368(a)(1)(E) of the Code) for U.S. federal income tax purposes if the Existing Term Loan and New Term Loan each constitute “securities” of WEX for U.S. federal income tax purposes. The term “security” is not defined in the Code or in the Treasury Regulations issued thereunder and, as applied to debt obligations, the meaning of the term “security” is unclear.

If the Exchange qualifies as a recapitalization for U.S. federal income tax purposes, a holder’s aggregate tax basis in the New Term Loan received in the Exchange generally would equal such holder’s aggregate adjusted tax basis in its Existing Term Loan immediately prior to the Exchange.

If the exchange of Existing Term Loan for New Term Loan does not qualify as a recapitalization for U.S. federal income tax purposes then the Exchange will be a fully taxable transaction for U.S. federal income tax purposes. In that case, a holder’s aggregate tax basis in the New Term Loan received in the Exchange generally would equal the issue price of the New Term Loan.

Holders of the Existing Term Loan should consult their own tax advisors regarding the possible classification of the Existing Term Loan and New Term Loan as securities and the tax consequences of the Exchange to them.

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

If the Exchange qualifies as a recapitalization for U.S. federal income tax purposes, a holder's aggregate tax basis in the New Term Loan received in the Exchange generally would equal such holder's aggregate adjusted tax basis in its Existing Term Loan immediately prior to the Exchange.

If the Exchange does not qualify as a recapitalization for U.S. federal income tax purposes, a holder's aggregate tax basis in the New Term Loan received in the Exchange generally would equal the issue price of the New Term Loan.

WEX has determined that, as of the Amendment Date, the New Term Loan has an issue price equal to the first price at which a substantial amount of the debt instrument is sold for money within the meaning of Treasury Regulation § 1.1273-2(a)(1).

WEX has determined that the issue price of the New Term Loan as of the Amendment Date was as follows:

<b>Debt Tranche</b>	<b>Issue Price (%)</b>
Term B-2 Loan	99.875%

Holders of the Existing Term Loan should consult their own tax advisors to determine the tax consequences of the Exchange to them.

**Form 8937, Part II, Line 17**

Sections 354, 358, 368, 1001, and 1012 of the Code.

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

If the Exchange qualifies as a recapitalization (within the meaning of Section 368(a)(1)(E) of the Code) for U.S. federal income tax purposes, no loss would be recognized for U.S. federal income tax purposes.

If the Exchange does not qualify as a recapitalization for U.S. federal income tax purposes, the Exchange 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 Loan over the fair market value of its New Term Loan.

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

The reportable tax year is 2018 with respect to calendar year taxpayers.