

LLC 2 =

PubCo =

Merger Sub =

Merger Sub LLC =

Funds =

Institutional Investor 1 =

Institutional Investor 2 =

LLC 1 Unit =

PubCo Class A Common
Stock =

PubCo Class B Common
Stock =

Cash Pool Receivable =

Business A =

Business B =

Business C =

Country A =

Country B =

State A =

State B =

a =

b =

c =

d =

e =

f =

g =

h =

i =

j =

Date 1 =

Date 2 =

Date 3 =

Exchange Agreement =

TRA Rights =

Separation Agreement =

Tax Matters Agreement =

Transition Services
Agreement =

Employee Matters
Agreement =

Commercial Agreement =

Country Umbrella Agreement =

Dear :

This letter responds to your representative's letter dated May 30, 2023, on behalf of Distributing 2, as supplemented by subsequent information and documentation, requesting rulings on certain federal income tax consequences of a series of transactions (the "Proposed Transactions"). The material information provided in that letter and subsequent correspondence is summarized below.

This letter is issued pursuant to Rev. Proc. 2017-52, 2017-41 I.R.B. 283, regarding one or more "Covered Transactions" under section 355 of the Internal Revenue Code (the "Code") and pursuant to section 6.03(2) of Rev. Proc. 2023-1, 2023-1 I.R.B. 1, regarding one or more significant issues under section 355 of the Code. This office expresses no opinion as to any issue not specifically addressed by the rulings below.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

This office has made no determination regarding whether any of the Distributions (as defined below): (i) satisfies the business purpose requirement of Treas. Reg. § 1.355-2(b); (ii) is used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both (see section 355(a)(1)(B) and Treas. Reg. § 1.355-2(d)); or (iii) is part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in the distributing corporation or the controlled corporation, or any predecessor or successor of the distributing corporation or the controlled corporation, within the meaning of Treas. Reg. § 1.355-8 (see section 355(e)(2)(A)(ii) and Treas. Reg. § 1.355-7).

Summary of Facts

Distributing Parent, a Country A publicly traded corporation, is the ultimate parent of a worldwide group of entities that includes for U.S. federal income tax purposes: corporations; entities disregarded from their sole regarded owners under Treas. Reg. § 301.7701-3 (each a “DRE”); and partnerships (collectively, the “Distributing Group”). The Distributing Group consists of Business A, Business B, and Business C. Each business has domestic and foreign operations. Business C is conducted exclusively by LLC 1, a State A limited liability company (“LLC”) classified as a partnership for U.S. federal income tax purposes, and its DREs. Following the Proposed Transactions, LLC 1 along with its DREs will continue to conduct Business C.

Distributing Parent owns all the stock of Foreign Sub, a Country B corporation.

Foreign Sub owns all the stock of Distributing 3, a Country B corporation.

Distributing 3 owns all the stock of Distributing 2, a State A corporation. Distributing 2 is the common parent of an affiliated group of corporations that files a consolidated U.S. federal income tax return.

Distributing 2 owns all the interests of LLC 2, a State A LLC and DRE.

LLC 2 owns all the stock of Distributing 1, a State B corporation.

Distributing 1 owns all the stock of Controlled, a State A corporation. Controlled holds the Cash Pool Receivable.

Controlled owns all the stock of Controlled Sub, a State A corporation.

Controlled and Controlled Sub own in the aggregate greater than a percent of the LLC 1 Units. Controlled directly owns greater than b percent of the LLC 1 Units.

Controlled and Controlled Sub own Class B Common Stock of PubCo, a State A corporation, reflecting greater than a percent of the vote of PubCo.

Public shareholders, including employees, officers, and directors of PubCo, and Funds own all the Class A Common stock of PubCo reflecting approximately c percent of the vote of PubCo. Funds own Class B Common Stock of PubCo reflecting approximately d percent of the vote of PubCo.

PubCo and Funds own c percent and d percent of the LLC 1 Units, respectively.

Distributing Parent proposes to undertake a series of transactions to separate Business C from Businesses A and B (the “Remaining Businesses”). Prior to the External Distribution (as defined below), the Distributing Group will engage in a series of internal distributions to separate Business C from the Remaining Businesses held by certain subsidiaries of Distributing Parent (the “Internal Distribution Transactions”). Following

the External Distribution, PubCo's newly formed Merger Sub, a State A corporation, will merge with and into Controlled with Controlled surviving and Controlled will merge with and into PubCo's newly formed Merger Sub LLC, a State A LLC and DRE, with Merger Sub LLC surviving. The Mergers may be treated as an acquisition of Controlled that is part of a plan that includes the Distributions (defined below) under Treas. Reg. § 1.355-7 (a "Plan Acquisition" and the shares acquired in a Plan Acquisition, "Plan Shares").

For purposes of satisfying the active trade or business requirements of section 355(b) with respect to the Distributions (defined below), Distributing 1 and the members of its "separate affiliated group" as defined in section 355(b)(3) will rely on the U.S. business operations of the Remaining Businesses, and Controlled will rely on the U.S. business operations of Business C. Financial information has been submitted in accordance with Rev. Proc. 2017-52 indicating that a combined Business A and Business B, as well as Business C, has had gross receipts and operating expenses representing the active conduct of a trade or business for each of the past five years.

Institutional Investor 1 on Date 1 and Institutional Investor 2 on Date 2 each filed a Schedule 13G reporting beneficial ownership for U.S. securities law purposes of more than five percent of Distributing Parent's total outstanding shares of common stock. Item 6 on each respective Schedule 13G reported that no one person's interest in the common stock of Distributing Parent was more than five percent of the total outstanding common shares. Institutional Investor 1 and Institutional Investor 2 are not represented on Distributing Parent's board of directors and do not otherwise participate in Distributing Parent's management or operation.

Pursuant to an Exchange Agreement, one share of PubCo Class B Common Stock taken together with one LLC 1 Unit is exchangeable for one share of PubCo Class A Common Stock. Controlled, Controlled Sub, and Funds each has TRA Rights due from PubCo.

In preparation for the Proposed Transactions, Distributing 1 will undertake certain preparatory transactions, which include the distribution by Controlled to Distributing 1 of cash, the Cash Pool Receivable, and the TRA Rights (owed to Controlled Sub and Controlled). Additionally, effective prior to Internal Distribution 1 (defined below), Foreign Sub will file an election pursuant to Treas. Reg. § 301.7701-3(c)(1)(i) to be classified as a DRE of Distributing Parent.

The Proposed Transactions

For what are represented to be valid corporate business purposes, the Distributing Group proposes to engage in the following transactions, to separate Controlled from the Distributing Group—i.e., the Proposed Transactions:

1. Distributing 1 will distribute all the stock of Controlled to LLC 2 ("Internal Distribution 1").

2. LLC 2 will distribute all the stock of Controlled to Distributing 2 in a distribution disregarded for U.S. federal income tax purposes.
3. Distributing 2 will distribute all the stock of Controlled to Distributing 3 (“Internal Distribution 2”).
4. Distributing 3 will distribute all the stock of Controlled to Foreign Sub (“Internal Distribution 3” and together with Internal Distributions 1 and 2, the “Internal Distributions”).
5. Foreign Sub will distribute the stock of Controlled to Distributing Parent in a distribution disregarded for U.S. federal income tax purposes.
6. Distributing Parent will distribute all the stock of Controlled on a pro rata basis to its shareholders (the “External Distribution” and together with the Internal Distributions, the “Distributions”).
7. Immediately after the External Distribution, Merger Sub will merge with and into Controlled with Controlled surviving (the “First Merger”). In the First Merger, the shareholders of Controlled will exchange their Controlled shares for PubCo Class A Common Stock.

The number of shares of PubCo Class A Common Stock that will be issued to Controlled shareholders in the First Merger will equal the number of shares of PubCo Class A Common Stock then held by Controlled and Controlled Sub (assuming for such purposes that all LLC 1 Units and shares of PubCo Class B Common Stock held by Controlled and Controlled Sub were exchanged for shares of PubCo Class A Common Stock in accordance with the Exchange Agreement).

As a result of the First Merger, Distributing Parent shareholders will own more than a percent of the PubCo stock (by vote and value).

8. Immediately after the First Merger, Controlled will merge with and into Merger Sub LLC with Merger Sub LLC surviving (the “Second Merger” and, together with the First Merger, the “Mergers”).

Share Repurchases

Prior to and following the Distributions, Distributing Parent may purchase Distributing Parent common stock from its shareholders (the “Distributing Parent Share Repurchases”). Distributing Parent’s board has historically authorized Distributing Parent Share Repurchases. Distributing Parent’s board approved the current share repurchase program on Date 3, authorizing the repurchase of up to \$j of the Distributing Parent common stock. Any such Distributing Parent Share Repurchases may be

implemented through share repurchases from its shareholders in open market transactions.

Currently, PubCo does not have a share repurchase plan authorized. Although PubCo has not authorized a share repurchase program, it is possible that PubCo may adopt a share repurchase program (any such repurchases, together with Distributing Parent Share Repurchases, the "Share Repurchases").

Overlapping Shareholders

At the time of the Proposed Transactions, Distributing Parent expects that certain shareholders will own Distributing Parent common stock and PubCo Class A Common Stock (the "Overlapping Shareholders"). For purposes of applying section 355(e)(3)(A)(iv) (the "Overlap Rule") and the methodology of the example in the 1998 legislative history to section 355(e)(3)(A)(iv) (the "Net Decrease Methodology") to determine the extent of Overlapping Shareholders, taxpayer will employ the principles described below (the "Overlap Counting Principles").

(i) *Sources and Proof of Overlapping Shareholders.* Distributing Parent and PubCo will rely upon information that provides the taxpayer with actual knowledge of the existence and share ownership of the Overlapping Shareholders. For this purpose, actual knowledge means the actual knowledge of the Vice President of Investor Relations (or a functionally similar position) of Distributing Parent and PubCo. To the extent the taxpayer does not have actual knowledge of the Overlapping Shareholders, the taxpayer will rely on publicly available information (such as (i) SEC filings made by institution investment managers (Form 13F) and registered management investment companies (Form N-Q and Form N-CSR); (ii) voluntary disclosures to investment research companies; and (iii) voluntary postings on the publicly available portion of the investor's or the investment advisor's websites). If the Mergers' closings do not coincide with dates for which a monthly or quarterly filer has provided ownership information, the taxpayer will determine such filer's ownership of Distributing Parent and PubCo on the Mergers' closing dates by reference to the publicly available information provided for the most recent filing prior to the Mergers' closing dates and for the most recent filing following the Mergers' closing dates, treating such investor(s) as owning an amount of stock on such date equal to the lesser of its stock ownership on the two dates for which filings have been made.

(ii) *Look-Through Approach.* In applying the Overlap Rule and the Net Decrease Methodology, Distributing Parent and PubCo will look through entities to the ultimate indirect owners of Distributing Parent common stock and PubCo Class A Common Stock, and will take into account the identified actual overlap in the ultimate indirect ownership of Distributing Parent common stock and PubCo Class A Common Stock at that level, based on actual knowledge, or if Distributing Parent or PubCo does not have actual knowledge, then based upon the sources of proof described in paragraph (i). Notwithstanding the foregoing, in proving the identity of Overlapping Shareholders, and the extent of their share ownership for purposes of applying the Overlap Rule and the

Net Decrease Methodology, Distributing Parent and PubCo will treat as the ultimate owner of Distributing Parent common stock and PubCo Class A Common Stock: (i) widely held investment vehicles with public investors (such as a mutual fund or ETF); (ii) any regulated investment company; (iii) any domestic pension trust described in section 401(a) which is exempt from tax under section 501(a); (iv) any domestic charitable organization described in section 501(c)(3) (including an endowment or private foundation); (v) any state, local, or foreign government (or agency or instrumentality thereof); and (vi) any foreign trust or pension plan (provided that the beneficiaries of the trust or pension plan have a pro rata interest in the assets thereof).

(iii) *Computation of Overlap.* In applying the Overlap Rule and the Net Decrease Methodology to the Mergers, the method for the application of the Overlap Rule to a particular Overlapping Shareholder as a result of the Mergers will be the percentage of the voting power and value of shares that are not Plan Shares (“non-Plan Shares”) (*i.e.*, the voting power and value of non-Plan Shares as a percentage of all shares) in Distributing Parent held by the Overlapping Shareholder immediately prior to the time of the Mergers in comparison to the percentage of the value and voting power of PubCo shares held by that Overlapping Shareholder immediately after the Mergers.

(iv) *Certain Changes Disregarded.* The Overlap Rule and the Net Decrease Methodology will be applied to the Mergers by reference to stock ownership at the time of the Mergers. Any pre-Mergers or post-Mergers changes in the direct or indirect ownership of Distributing Parent common stock or PubCo Class A Common Stock will not affect the determination of the number of Plan Shares and non-Plan Shares resulting from the Mergers, so long as the acquisitions resulting in those changes are not part of a plan (or series of related transactions) that includes the Distributions (applying Treas. Reg. § 1.355-7(d)(7)).

Continuing Arrangements

As part of PubCo’s initial public offering, Distributing Group, PubCo and LLC 1 entered into or will enter into the following agreements that continue to have effect following the Proposed Transactions (the “Continuing Arrangements”): the Exchange Agreement, TRA Rights, Separation Agreement, Tax Matters Agreement, Transition Services Agreement, Employee Matters Agreement, Commercial Agreement, and Country Umbrella Agreement.

All of the Continuing Arrangements were or will be based on arm’s length terms and conditions, including arm’s length pricing, except with respect to certain payments made pursuant to the transition services agreement that may be priced as cost or cost-plus basis for a period not to exceed e years, other than as required to complete work orders or similar arrangements agreed during the initial period. All such relationships are not inconsistent with the overall separation of Controlled from the Distributing Group.

Board Overlap

Following the Proposed Transactions, it is expected that a majority of PubCo's board of directors will consist of individuals who will also serve as officers or directors of Distributing Parent (the "Overlapping Directors and Officers"). Distributing Parent's board of directors consists of f members while PubCo's board of directors consists of g members. Specifically, h director(s) and i officer(s) of Distributing Parent will sit on PubCo's board of directors. The Overlapping Directors and Officers are placed in different classes with staggered terms. The Overlapping Directors and Officers are expected to give both corporations access to the experience base of such individuals. All of the Overlapping Directors and Officers will be up for re-election at the end of their respective terms, each of which is expected to occur after the Proposed Transactions.

Representations

Distributing Parent has made the following representations with respect to the Proposed Transactions:

Internal Distribution 1

1. With respect to Internal Distribution 1, except as set forth below, the Distributing Group has made all of the representations in section 3 of the Appendix to Rev. Proc. 2017-52.
 - a. The Distributing Group has made the following alternative representations: Representations 3(a), 8(b), 11(a), 15(a), 22(a), 31(a), and 41(a).
 - b. The Distributing Group has not made the follow representations, which do not apply to Internal Distribution 1: Representations 7, 17, 18, 19, 20, 24, 25, 35, 39, and 40.
 - c. Distributing has made the following modified representations:

Representation 32: Except for amounts payable under the Continuing Arrangements or liabilities arising in the ordinary course of business, no intercorporate debt will exist between Distributing 1 and Controlled (and their respective affiliates, as applicable) at the time of, or subsequent to Internal Distribution 1.

Representation 33: Except with respect to certain payments made pursuant to the Transition Services Agreement, payments made in connection with all continuing transactions, if any, between Distributing 1 and Controlled after Internal Distribution 1 will be for fair market value based on arm's-length terms.

Representation 34: Distributing 1 and Controlled each will pay its own expenses, if any, incurred in connection with Internal Distribution 1 except that Distributing Parent

and its affiliates may pay certain corporate-level expenses that are solely and directly related (within the meaning of Rev. Rul. 73-54, 1973-1 C.B. 187) to Internal Distribution 1 (such as legal, accounting, and other advisory fees and administrative expenses incurred in connection with Internal Distribution 1).

Internal Distribution 2

2. With respect to Internal Distribution 2, except as set forth below, the Distributing Group has made all of the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- a. The Distributing Group has made the following alternative representations: Representations 3(a), 8(b), 11(a), 15(a), 22(a), 31(a), and 41(a).
- b. The Distributing Group has not made the follow representations, which do not apply to Internal Distribution 2: Representations 7, 17, 18, 19, 20, 24, 25, 35, 39, and 40.
- c. Distributing has made the following modified representations:

Representation 32: Except for amounts payable under the Continuing Arrangements or liabilities arising in the ordinary course of business, no intercorporate debt will exist between Distributing 2 and Controlled (and their respective affiliates, as applicable) at the time of, or subsequent to Internal Distribution 2.

Representation 33: Except with respect to certain payments made pursuant to the Transition Services Agreement, payments made in connection with all continuing transactions, if any, between Distributing 2 and Controlled after Internal Distribution 2 will be for fair market value based on arm's-length terms.

Representation 34: Distributing 2 and Controlled each will pay its own expenses, if any, incurred in connection with Internal Distribution 2 except that Distributing Parent and its affiliates may pay certain corporate-level expenses that are solely and directly related (within the meaning of Rev. Rul. 73-54, 1973-1 C.B. 187) to Internal Distribution 2 (such as legal, accounting, and other advisory fees and administrative expenses incurred in connection with Internal Distribution 2).

Internal Distribution 3

3. With respect to Internal Distribution 3, except as set forth below, the Distributing Group has made all of the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- a. The Distributing Group has made the following alternative representations: Representations 3(a), 8(b), 11(a), 15(a), 22(a), 31(a), and 41(a).

- b. The Distributing Group has not made the follow representations, which do not apply to Internal Distribution 3: Representations 7, 17, 18, 19, 20, 24, 25, 35, 36, 37, 38, 39, and 40.
- c. Distributing has made the following modified representations:

Representation 32: Except for amounts payable under the Continuing Arrangements or liabilities arising in the ordinary course of business, no intercorporate debt will exist between Distributing 3 and Controlled (and their respective affiliates, as applicable) at the time of, or subsequent to Internal Distribution 3.

Representation 33: Except with respect to certain payments made pursuant to the Transition Services Agreement, payments made in connection with all continuing transactions, if any, between Distributing 3 and Controlled after Internal Distribution 3 will be for fair market value based on arm's-length terms.

Representation 34: Distributing 3 and Controlled each will pay its own expenses, if any, incurred in connection with Internal Distribution 3 except that Distributing Parent and its affiliates may pay certain corporate-level expenses that are solely and directly related (within the meaning of Rev. Rul. 73-54, 1973-1 C.B. 187) to Internal Distribution 3 (such as legal, accounting, and other advisory fees and administrative expenses incurred in connection with Internal Distribution 3).

External Distribution

4. With respect to the External Distribution, except as set forth below, the Distributing Group has made all of the representations in section 3 of the Appendix to Rev. Proc. 2017-52, except as set forth below.
 - a. The Distributing Group has made the following alternative representations: Representations 3(a), 8(b), 11(a), 15(a), 22(a), 31(a), and 41(a).
 - b. The Distributing Group has not made the following representations, which do not apply to the External Distribution: Representations 7, 17, 18, 19, 20, 24, 25, 35, 36, 37, 38, 39, and 40.
 - c. The Distributing Group has made the following modified representations:

Representation 32: Except for amounts payable under the Continuing Arrangements or liabilities arising in the ordinary course of business, no intercorporate debt will exist between Distributing Parent and Controlled (and their respective affiliates, as applicable) at the time of, or subsequent to, the External Distribution

Representation 33: Except with respect to certain payments made pursuant to the Transition Services Agreement, payments made in connection with all continuing

transactions, if any, between Distributing Parent and Controlled after the External Distribution will be for fair market value based on arm's-length terms.

Representation 34: Distributing Parent and Controlled each will pay its own expenses, if any, incurred in connection with the External Distribution except that Distributing Parent and its affiliates may pay certain corporate-level expenses that are solely and directly related (within the meaning of Rev. Rul. 73-54, 1973-1 C.B. 187) to the External Distribution (such as legal, accounting, and other advisory fees and administrative expenses incurred in connection with the External Distribution).

Additional Representations

With respect to the Proposed Transactions, Distributing Parent has made the following additional representations:

5. All Share Repurchases prior to the date of the Proposed Transactions were not (or, to the extent they have not yet occurred, will not be) related to the Proposed Transactions and the amount and timing of such Share Repurchases would have been the same regardless of the Proposed Transactions.
6. At the time of the completion of the Proposed Transactions, there will be no plan or intention to effect any Share Repurchases other than the Share Repurchases described in this Ruling Request.
7. Any Share Repurchases that occur after the Proposed Transactions will be motivated by a business purpose, and the shares to be repurchased in the Share Repurchases will be widely held.
8. Any Share Repurchases that occur after the Proposed Transactions will not be motivated to any extent by a desire to increase or decrease the ownership percentage of any particular shareholder or group of shareholders.
9. Neither Distributing Parent nor PubCo will know the identity of any shareholder from which the Distributing Parent or PubCo shares are repurchased.
10. No public shareholder of Distributing Parent or Controlled (or PubCo as a successor to Controlled) is expected to be a controlling shareholder or 10-percent shareholder (within the meaning of Treas. Reg. § 1.355-7(h)(3) and (14), respectively. For purposes of this representation, the term "public shareholder" does not include Funds, with respect to PubCo.
11. The Mergers are intended to qualify as a reorganization under section 368(a).

Rulings

Based solely on the information submitted and the representations made, we rule as follows with respect to the Proposed Transactions:

Internal Distribution 1

1. No gain or loss will be recognized by (and no amount will be otherwise included in the income of) Distributing 2 upon receipt of the Controlled stock in Internal Distribution 1. Section 355(a).
2. No gain or loss will be recognized by Distributing 1 on the distribution of Controlled stock in Internal Distribution 1. Section 355(c)(1).
3. The aggregate basis of the Distributing 1 stock and the Controlled stock in the hands of Distributing 2 immediately after Internal Distribution 1 will be the same as Distributing 2's basis in the Distributing 1 stock immediately before Internal Distribution 1, allocated between the Distributing 1 stock and the Controlled stock in proportion to the fair market value of each immediately following Internal Distribution 1. Section 358(a)(1), (b), and (c); Treas. Reg. § 1.358-2(a)(2).
4. The holding period of the Controlled stock received by Distributing 2 in Internal Distribution 1 will include the holding period of the Distributing 1 stock held by Distributing 2 with respect to which Internal Distribution 1 will be made, provided that such Distributing 1 stock is held as a capital asset on the date of Internal Distribution 1. Section 1223(1).
5. Earnings and profits, if any, will be allocated between Distributing 1 and Controlled in accordance with section 312(h), Treas. Reg. § 1.312-10(b), and Treas. Reg. § 1.1502-33(f)(2).

Internal Distribution 2

6. No gain or loss will be recognized by (and no amount will be otherwise included in the income of) Distributing 3 upon receipt of the Controlled stock in Internal Distribution 2. Section 355(a).
7. No gain or loss will be recognized by Distributing 2 on the distribution of Controlled stock in Internal Distribution 2. Section 355(c)(1).
8. The aggregate basis of the Distributing 2 stock and the Controlled stock in the hands of Distributing 3 immediately after Internal Distribution 2 will be the same as Distributing 3's basis in the Distributing 2 stock immediately before Internal Distribution 2, allocated between the Distributing 2 stock and the Controlled stock in proportion to the fair market value of each immediately following Internal Distribution 2. Section 358(a)(1), (b), and (c); Treas. Reg. § 1.358-2(a)(2).
9. The holding period of the Controlled stock received by Distributing 3 in Internal Distribution 2 will include the holding period of the Distributing 2 stock held by Distributing 3 with respect to which Internal Distribution 2 will be made, provided that such Distributing 2 stock is held as a capital asset on the date of Internal Distribution 2. Section 1223(1).

10. Earnings and profits, if any, will be allocated between Distributing 2 and Controlled in accordance with section 312(h), Treas. Reg. § 1.312-10(b), and Treas. Reg. § 1.1502-33(e)(3).

Internal Distribution 3

11. No gain or loss will be recognized by (and no amount will be otherwise included in the income of) Distributing Parent upon receipt of the Controlled stock in Internal Distribution 3. Section 355(a).
12. No gain or loss will be recognized by Distributing 3 on the distribution of Controlled stock in Internal Distribution 3. Section 355(c)(1).
13. The aggregate basis of the Distributing 3 stock and the Controlled stock in the hands of Distributing Parent immediately after Internal Distribution 3 will be the same as Distributing Parent's basis in the Distributing 3 stock immediately before Internal Distribution 3, allocated between the Distributing 3 stock and the Controlled Stock in proportion to the fair market value of each immediately following Internal Distribution 3. Section 358(a)(1), (b), and (c); Treas. Reg. § 1.358-2(a)(2).
14. The holding period of the Controlled stock received by Distributing Parent in Internal Distribution 3 will include the holding period of the Distributing 3 stock held by Distributing Parent with respect to which the Internal Distribution 3 will be made, provided that such Distributing 3 stock is held as a capital asset on the date of Internal Distribution 3. Section 1223(1).
15. Earnings and profits, if any, will be allocated between Distributing 3 and Controlled in accordance with section 312(h) and Treas. Reg. § 1.312-10(b).

The External Distribution

16. No gain or loss will be recognized by (and no amount will be otherwise included in the income of) the Distributing Parent shareholders upon receipt of the Controlled stock in the External Distribution. Section 355(a).
17. No gain or loss will be recognized by Distributing Parent on the distribution of Controlled stock in the External Distribution. Section 355(c)(1).
18. The aggregate basis of the Distributing Parent stock and the Controlled stock in the hands of the Distributing Parent shareholders immediately after the External Distribution will be the same as the Distributing Parent's shareholders' basis in the Distributing Parent stock immediately before the External Distribution, allocated between the Distributing Parent stock and the Controlled stock in proportion to the fair market value of each immediately following the External Distribution. Section 358(a)(1), (b), and (c); Treas. Reg. § 1.358-2(a)(2).

19. The holding period of the Controlled stock received by the Distributing Parent shareholders in the External Distribution will include the holding period of the Distributing Parent stock held by Distributing Parent shareholders with respect to which the External Distribution will be made, provided that such Distributing Parent stock is held as a capital asset on the date of the External Distribution. Section 1223(1).
20. Earnings and profits, if any, will be allocated between Distributing Parent and Controlled in accordance with section 312(h) and Treas. Reg. § 1.312-10(b).
21. Distributing Parent may employ the Overlap Counting Principles in applying the Overlap Rule and Net Decrease Methodology to the Proposed Transactions.
22. During the section 355(e) comparison period, which begins immediately before the first acquisition of stock of the relevant company (*i.e.*, Distributing Parent and PubCo) made by any shareholder of the relevant company that is part of a plan that includes the External Distribution under section 355(e) and Treas. Reg. § 1.355-7, and ends immediately after the later of (i) the last acquisition of stock of the relevant company made by any shareholder of the relevant company that is part of a plan that includes the External Distribution under section 355(e) and Treas. Reg. § 1.355-7 and (ii) the External Distribution, any increase in ownership of stock, by vote or value, by a shareholder that occurs as a result of any Plan Acquisition during such period will be offset and reduced by any decrease in ownership of stock, by vote or value, by that shareholder during such period.
23. To the extent the Share Repurchases are treated as part of a plan (or series of related transactions) with the Proposed Transactions for purposes of section 355(e), the Share Repurchases will be treated as being made from all public shareholders of Distributing Parent or PubCo on a pro rata basis for purposes of testing the effect of the Share Repurchases on the Proposed Transactions under section 355(e).

For purposes of this ruling, each Distributing Parent or PubCo shareholder will be treated as a public shareholder with respect to any Share Repurchases that occur on or prior to five business days after either: (i) actual knowledge of the Vice President of Investor Relations, the General Counsel, or a functionally similar position at Distributing Parent or PubCo of the existence of a non-public shareholder, or (ii) the filing of a Schedule 13D, Schedule 13G, Form 3, or Form 4, indicating the shareholder holds enough shares to be considered a five-percent shareholder within the meaning of Treas. Reg. § 1.355-7(h)(8) (and such shareholder actively participates in the management or operation of Distributing Parent or PubCo as described in Treas. Reg. § 1.355-7(h)(3)) or a ten-percent shareholder within the meaning of Treas. Reg. § 1.355-7(h)(14). For purposes of determining whether a five percent shareholder within the meaning of Treas. Reg. § 1.355-7(h)(8) or a ten-percent shareholder within the meaning of Treas.

Reg. § 1.355-7(h)(14) exists, Distributing Parent and PubCo may disregard a Schedule 13G unless Item 6 reports such a shareholder or is left blank, or the filer discloses its status as a five-percent shareholder within the meaning of Treas. Reg. § 1.355-7(h)(8) or a ten-percent shareholder within the meaning of Treas. Reg. § 1.355-7(h)(14) on Form 3 or Form 4.

Caveats

Except as expressly provided herein, no opinion is expressed or implied concerning the tax treatment of the Proposed Transactions under other provisions of the Code or regulations or the tax treatment of any condition existing at the time of, or effects resulting from the Proposed Transactions that are not specifically covered by the above rulings.

Procedural Statements

The ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their returns that provides the date on and control number (PLR-111439-23) of the letter ruling.

Pursuant to a power of attorney on file with this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

Gerald B. Fleming
Senior Technician Reviewer, Branch 2
(Corporate)

cc: