



**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

Multiple horizontal lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ See Attached

Multiple horizontal lines for providing information regarding resulting loss recognition.

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

Multiple horizontal lines for providing other necessary information for the adjustment.

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 ▶ \_\_\_\_\_

Print your name ▶ **SIGNED COPY AVAILABLE UPON REQUEST** Title ▶ \_\_\_\_\_

<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.

## **Arch Resources, Inc.**

### **Attachment to IRS Form 8937**

On November 3, 2020, the company issued \$155.3 million in aggregate principal amount of 5.25% convertible senior notes due 2025 ("Convertible Notes"). The company has provided a notice of adjustment to the conversion rate applicable to the Convertible Notes.

Under IRC Code Section 6045B, any issuer of a "specified security" must file an information return setting forth: a description of any organizational action (for example, stock splits, mergers and acquisitions, convertible debt) that affects the basis of the specified security of the issuer, the quantitative effect on the specified security's basis resulting from the organizational action, and any other information IRS may prescribe.

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 Code. Holders of the Convertible Notes should consult their own tax advisors regarding the particular tax consequences of the conversion rate adjustment to them, including the applicability and effect of all U.S. federal, state and local and foreign tax laws. Such information is not intended to be a complete analysis or description of all potential federal or other tax consequences of the conversion rate adjustment.

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

Date of action:	February 27, 2023	Dividend Amount	\$3.11
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Immediately after the open of business on February 27, 2023 (i.e., the ex-dividend date of the dividend paid on March 15, 2023), in connection with the cash dividends previously announced by the company, the conversion rate of the Convertible Notes was adjusted from 31.4948 to 32.1604 per \$1,000 of principal amount.

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

In connection with company's payment of the cash dividend described in line 14, the new conversion rate adjustment resulting from the deemed distribution is an increase of \$100.01 per \$1,000.00 principal amount of Convertible Notes. The company expects that it will have sufficient earnings and profits. Accordingly, as a result of the increase in the conversion rate of the Convertible Notes, each Convertible Note holder is expected to include \$100.01 in gross income as a dividend per \$1,000.00 with a resulting basis increase of the same amount.

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

The conversion rate adjustment is calculated pursuant to section 5.05(A)(iv) of the indenture dated November 3, 2020 between the company and UMB Bank.

CR<sub>0</sub> = the Conversion Rate in effect immediately prior to the open of business on the ex-dividend date of such dividend or distribution, or immediately prior to the open of business on the effective date of such share split or combination;

CR<sub>1</sub> = the conversion rate in effect immediately after the open of business on such ex-dividend date or such effective date;

SP<sub>0</sub> = the last reported sale price of the common stock on the trading day immediately preceding the ex-dividend date for such dividend or distribution

D = Dividend or cash amount distributed per share of common stock

$$\begin{aligned} \text{New Conversion Price: CR}_1 &= \text{CR}_0 \times (\text{SP}/(\text{SP}-\text{D})) \\ &= 31.4948 \times (\$150.26 / (\$150.26 - \$3.11)) \\ &= 31.4948 \times 1.021134896 \\ &= 32.1604 \end{aligned}$$

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

IRC Section 301(c)(1), 305(b)(2) and 305(c). IRS Reg. 1.301-1(h).

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

There is no associated loss recognition.

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

The reportable tax year for this conversion rate adjustment is 2023 for a calendar year taxpayer.