

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](#)

Blank lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ [See Attached](#)

Blank lines for providing information on loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See Attached](#)

Blank lines for providing other necessary information.

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.

DocuSigned by: Sean Reagan Signature ▶ Date ▶ 07/03/2023

Print your name ▶ Sean Reagan Title ▶ Global VP of Tax

Paid Preparer Use Only	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.

Garrett Motion, Inc.

Attachment to Form 8937

Dated June 30, 2023

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended. The information in this document does not constitute tax advice and should not be construed to take into account any shareholder's specific circumstances. Holders and nominees should consult their own tax advisors regarding the particular tax consequences of the organizational action (as described in this document) to them, including the applicability and effect of all U.S. federal, state, and local and foreign tax laws.

Line 14. From June 6, 2023, through June 20, 2023, Garrett Motion Inc. (the "Company") engaged in a series of transactions whereby holders of the Company's outstanding shares of Series A Cumulative Convertible Preferred Stock (the "Series A Preferred Stock") exchanged such shares for shares of the Company's common stock and cash (collectively, the "Transaction"). The Transaction is summarized below and is more fully described in the Company's Press Release dated April 13, 2023, available at <https://investors.garrettmotion.com/news-releases/news-release-details/garrett-motion-reaches-agreements-centerbridge-and-oaktree>, as well as the Company's Schedule 14C filing with the Securities and Exchange Commission, dated May 15, 2023.

- On June 6, 2023, the Company amended the Series A Preferred Stock certificate of designation to, among other things, require the conversion of all shares of Series A Preferred Stock into shares of common stock (the "Conversion"), subject to the Company's repurchase of a portion of the Series A Preferred Stock owned by certain funds affiliated with Centerbridge Partners, L.P. (the "Centerbridge funds") and certain funds affiliated with Oaktree Capital Management, L.P. (the "Oaktree funds").
- Also on June 6, 2023, the Company completed the repurchase of 34,177,695 shares of Series A Preferred Stock from the Centerbridge funds and 35,530,024 shares of Series A Preferred Stock from the Oaktree funds (collectively, the "Series A Repurchases"). In the Series A Repurchases, the Centerbridge funds and Oaktree funds received, in exchange for each share of Series A Preferred Stock that was repurchased, (i) \$8.177 in cash; (ii) \$0.8535 of common stock, with each shareholder receiving cash in lieu of fractional shares; and (iii) \$0.144375 in cash.
- On June 12, 2023, the Company converted all shares of Series A Preferred Stock into shares of common stock. In the Conversion, each shareholder received with respect to each share of Series A Preferred Stock (i) one share of common stock, received on June 12, 2023; (ii) \$0.8535 of common stock, received on June 15, 2023, with each shareholder receiving cash in lieu of fractional shares; and (iii) \$0.144375 in cash, paid on June 20, 2023.

Line 15. The Company is treating the steps of the Transaction (*i.e.*, the amendment of the Series A Preferred Stock certificate of designation, the Series A Repurchases, and the Conversion) collectively as a reorganization within the meaning of section 368(a)(1)(E) (an "E reorganization").

- Any gain a shareholder has in shares surrendered to a corporation in an E reorganization is generally expected to be recognized under section 356(a)(1) if the shareholder receives cash or property other than stock in the corporation—but not in excess of the amount of cash or other property received.
- To the extent cash or other property received by a shareholder has the effect of a distribution of a dividend, section 356(a)(2) treats the gain recognized under section 356(a)(1) as a dividend up to the shareholder's ratable share of the undistributed earnings and profits of the Company. Here, the Company has sufficient undistributed earnings and profits for any gain recognized under section 356(a)(1) to be treated as a dividend if the receipt of cash has the effect of a distribution of a dividend.

Under section 358(a), a shareholder in an E reorganization takes an aggregate tax basis in the shares received from the corporation (here, the common stock), including any fractional shares treated as received and then exchanged for cash, equal to the aggregate basis in the shares surrendered (here, the Series A Preferred Stock), (i) decreased by the cash or other property received by the shareholder, (ii) decreased by any loss the shareholder recognized on the exchange, (iii) increased by the amount treated as a dividend to the shareholder (*i.e.*, under section 356(a)(2)), and (iv) increased by any gain the shareholder recognized on the transaction (*i.e.*, under section 356(a)(1)).

Section 358(b) and Treas. Reg. § 1.358-2 provide additional rules to govern how shareholders can allocate the aggregate basis determined under section 358(a) to the specific shares or blocks of shares they received in the E reorganization (here, the common stock).

In the Transaction:

- The Centerbridge funds exchanged 66,207,182 shares of Series A Preferred Stock for:
 - 38,940,140 shares of common stock (3,567,441 and 35,372,699 shares related to the Series A Repurchases and the Conversion, respectively); and
 - \$289,029,674 of cash (\$284,405,417 and \$4,624,257 related to the Series A Repurchases and the Conversion, respectively).
- The Oaktree funds exchanged 68,834,814 shares of Series A Preferred Stock for:
 - 40,489,713 shares of common stock (3,708,596 and 36,781,117 shares related to the Series A Repurchases and the Conversion, respectively); and
 - \$300,467,033 of cash (\$295,658,653 and \$4,808,379 related to the Series A Repurchases and the Conversion, respectively).
- The remaining holders of Series A Preferred Stock (excluding the Centerbridge funds and the Oaktree funds) collectively exchanged 110,003,435 shares of Series A Preferred Stock for:
 - 121,485,376 shares of common stock; and
 - \$15,881,746 of cash.

Line 16. See Line 15 above for description of the calculation of the change in basis. U.S. Federal income tax law does not specifically prescribe how a taxpayer should determine the fair market value of the Series A Preferred Stock or common shares for purposes of allocating tax basis, one reasonable approach for determination of the fair market value of each share of common stock received in the Transaction is the average price between the highest and lowest quoted selling prices on the date of the exchange. You should consult with a tax advisor to determine what measure of fair market value is appropriate.

Line 17. Sections 301(c), 302(a), 302(b), 316(a), 354(a), 356(a), 358(a), 358(b), 368(a)(1)(E).

Line 18. In general, other than with respect to any cash received in respect of fractional shares of common stock, if any, no loss may be recognized on the receipt of common stock as part of the Transaction.

Line 19. The stock basis adjustments are taken into account in the tax year of the shareholder during which the Transaction occurred (e.g., 2023 for calendar year taxpayers).