



**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
Sections 305(a) and 307(a) of the Internal Revenue Code of 1986, as amended.

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**18** Can any resulting loss be recognized? ▶ **Loss may be recognized upon the receipt of cash in lieu of fractional share if the basis allocated to the fractional share (as illustrated in box 16) exceeds the amount of cash received in lieu of the fractional share.**

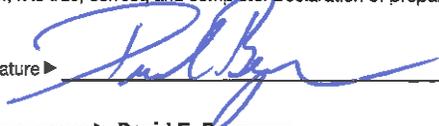
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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **For shareholders who file their returns on the basis of a calendar year, the reportable tax year is 2016.**

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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 ▶ 7/7/16

Print your name ▶ David E. Bergman

Title ▶ Sr. Vice President, Corporate Finance

**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 ▶		Phone no.	
Firm's address ▶				

## Attachment to Form 8937

Under Armour, Inc.  
EIN: 52-1990078

### Part II

- 14) Distribution of 0.007098 of a share of newly issued Class C common stock (the "New Class C Stock") with respect to each outstanding share of Class C stock (the "Original Class C Stock"), with a record date of June 15, 2016 and a payment date on or around June 29, 2016. The distribution was made to each holder of Original Class C Shares in whole shares of Class C stock plus cash in lieu of a fractional share, based upon a value of \$38.14 per Class C Share.
- 15) The distribution of the New Class C Shares was non-taxable, and each shareholder's basis in the Original Class C Shares is allocated between the shareholder's Original Class C Shares, New Class C Shares, and any fractional share component. See box 16 below for examples illustrating the calculation or adjusted tax basis per share.
- 16) Please see below examples:

#### Example 1:

Shareholder X owned 200 Class C shares with a basis of \$50 per share before the distribution (for an aggregate basis of \$10,000). Pursuant to the distribution, Shareholder X is entitled to 1.4196 new Class C Shares (200 x .007098). Immediately following the distribution, Shareholder X would hold 201 Class C Shares (200 Original Class C Shares + 1 New Class C Share). The \$10,000 basis is allocated between Shareholder X's whole Class C Shares and the fractional share component as follows:

- The portion of the tax basis allocated to the whole shares is  $((201/201.4196) \times \$10,000) = \$9,979.17$
- The portion of the tax basis allocated to the fractional share is  $((.4196/201.4196) \times \$10,000) = \$20.83$
- IRS Form 1099-B will be issued reporting the \$16.00 ( $\$38.14 \times .4196$ ) cash payment in lieu of the fractional share. While the distribution of the New Class C Shares was non-taxable, the cash in lieu is deemed sale of the fractional share. Therefore, the cash payment in this example of \$16.00 is less than the allocated tax basis of \$20.83 and Shareholder X would recognize a capital loss of \$3.17.

## Example 2:

Shareholder Y owned 125 Class C shares with a basis of \$30 per share before the distribution (for an aggregate basis of \$3,750). Pursuant to the distribution, Shareholder Y is entitled to 0.88725 of a new Class C Share (125 x .007098). Immediately following the distribution, Shareholder Y would hold continue to hold 125 Class C Shares plus cash in the amount of \$33.84 ( $\$38.14 \times .88725$ ) in lieu of the .88725 fractional Class C share to which Shareholder Y would otherwise be entitled to. The \$3,750 basis is allocated is allocated between Shareholder Y's whole Class C Shares and the fractional share component as follows:

- The portion of the tax basis allocated to the whole shares is  $((125/125.88725) \times \$3,750) = \$3,723.57$
- The portion of the tax basis allocated to the fractional share is  $((.88725/125.88725 \times \$3,750) = \$26.43$
- IRS Form 1099-B will be issued for the \$33.84 cash payment in lieu of the fractional share. The cash in lieu is a deemed sale of the fractional share. Therefore, the cash payment in this example of \$33.84 exceeds the allocated tax basis of \$26.43 and Shareholder Y would recognize a capital gain of \$7.41.

There should be no change to the tax basis results outlined in Example 1 and 2 even if a shareholder owns other classes of Under Armour stock in addition to Class C, i.e., Class A or Class B stock.

***Under Armour, Inc. does not provide tax advice; the examples provided herein are based on generally applicable tax law. Shareholders are encouraged to reach out to their personal tax advisors for consideration on their unique facts and circumstances.***

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