

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 statement](#)

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

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

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 ▶ **08/11/2023**

Print your name ▶ **Thomas Kremer** Title ▶ **Senior VP - Tax, Treasury and Risk Mgmt**

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.

Laboratory Corporation of America Holdings
EIN: 13-3757370

Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

Disclaimer: If you did not receive shares of Fortrea Holdings Inc. on June 30, 2023, none of the information on this form or its statements applies to you.

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.

Part II

Line 14 - Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On June 30, 2023 (the "**Distribution Date**"), pursuant to the terms and conditions of the Form of Separation and Distribution Agreement ("**Agreement**") dated June 30, 2023, among Laboratory Corporation of America Holdings ("**LCAH**") and Fortrea Holdings Inc. ("**Fortrea Holdco**"), LCAH distributed 100% of the outstanding shares of common stock of Fortrea Holdco pro rata to LCAH shareholders of record as of the close of business on June 20, 2023 (the "**Record Date**," and such distribution, the "**External Spin**"). In the External Spin, each shareholder who held LCAH common stock on the Record Date and did not sell them before the close of business on the Distribution Date received one share of Fortrea Holdco common stock for every one share of LCAH common stock owned on the Record Date.

No fractional shares of Fortrea Holdco common stock were distributed. All fractional shares of Fortrea Holdco common stock that LCAH shareholders otherwise would have been entitled to receive as a result of the External Spin were aggregated into whole shares and sold on the open market, and the resulting cash proceeds of the sale were paid pro rata to such shareholders.

Following the External Spin, Fortrea Holdco common stock started trading under the ticker symbol "FTRE" on The NASDAQ Stock Market LLC ("**NASDAQ**") effective July 3, 2023.

Line 15 - Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

As a result of the External Spin, each LCAH shareholder will be required to allocate their aggregate tax basis in their LCAH common shares held immediately prior to the External Spin among (i) the Fortrea Holdco shares received in the External Spin (including any fractional Fortrea Holdco shares for which cash was received) and (ii) the LCAH common shares in respect of which such Fortrea Holdco shares were received, in proportion to their relative fair market values immediately after the External Spin. Accordingly, the aggregate basis of the LCAH common stock and the Fortrea Holdco common stock in the hands of LCAH shareholders immediately after the External Spin is expected to be the same as the LCAH shareholders' basis in their LCAH common stock immediately before the External Spin.

Line 16 - Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

U.S. federal income tax laws provide that the allocation of the aggregate tax basis discussed under Line 15 above be based on the respective fair market values of the resulting LCAH and Fortrea Holdco shares held following the External Spin. The tax laws do not, however, provide further guidance on the determination of fair market value. LCAH shareholders should consult their own tax advisors to determine the appropriate fair market values.

One method to determine fair market value is to use the New York Stock Exchange (“**NYSE**”) closing prices of the LCAH common stock and the NASDAQ closing prices of the Fortrea Holdco common stock on July 3, 2023, the first trading day after the Distribution Date. The adjusted closing trading prices of the LCAH and Fortrea Holdco shares on July 3, 2023, were \$208.92 per share for LCAH and \$36.84 per share for Fortrea Holdco. Based on this measure of fair market value and the 1:1 distribution ratio, 14.99% of the shareholder's tax basis would be allocated to the Fortrea Holdco shares received in the External Spin and 85.01% of the shareholder's tax basis would remain with the LCAH shares.

For example, if an LCAH shareholder owns a single tax lot of 100 common shares of LCAH with a tax basis of \$10 per share and received 100 shares of Fortrea Holdco common stock in the External Spin, 85.01% of the aggregate tax basis of \$1,000, or \$850.10, would be allocated to the 100 shares of LCAH common stock, resulting in a tax basis of \$8.50 per share (rounded) of LCAH common stock. The remaining 14.99% of the aggregate tax basis, or approximately \$149.90, would be allocated to the 100 shares of Fortrea Holdco common stock. This results in a tax basis of \$1.50 per share of Fortrea Holdco common stock (rounded).

LCAH shareholders who acquired blocks of LCAH common stocks at different times or at different prices should consider performing the foregoing allocation separately with respect to each block of LCAH common stock in consultation with their own tax advisors. Other valuation methodologies may exist, and shareholders are urged to consult their tax advisors regarding these tax basis allocation calculations. LCAH shareholders are not bound by the approach illustrated above and may, in consultation with their own tax advisors, use another approach in determining fair market values for LCAH common stock and Fortrea Holdco common stock.

Line 17 - List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

The applicable sections of the Internal Revenue Code of 1986, as amended upon which the tax treatment is based are sections 355, 358, 368, 1001, and 1223.

Line 18 - Can any resulting loss be recognized?

Generally, no gain or loss should be recognized for U.S. federal income tax purposes as the result of the External Spin. An LCAH shareholder who received cash in lieu of a fractional share of Fortrea Holdco common stock recognizes gain or loss equal to the difference between the amount of cash received and the tax basis in the fractional share. The deductibility of capital losses may be subject to limitations.

Line 19 - Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The External Spin occurred on the Distribution Date. As a result, the basis adjustment in the shares of LCAH common stock and Fortrea Holdco common stock should be reported in the taxable year that includes this date. In the case of shareholders who are calendar year taxpayers, the External Spin is reportable in the tax year ending December 31, 2023.