



**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 attachment.](#)

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

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

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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 ▶ July 13, 2021

Print your name ▶ Michael D. Vagnini Title ▶ VP, Tax

<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.			

## **ATTACHMENT TO FORM 8937**

### **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 3, 2021 (the “Redemption Date”), Stanley Black & Decker, Inc. (the “Company”) redeemed (the “Redemption”) all of its outstanding Series C Cumulative Perpetual Convertible Preferred Stock, no par value with liquidation preference of \$1,000 per share (the “Convertible Preferred Stock”). The redemption price (the “Redemption Price”) for the Convertible Preferred Stock was \$1,002.50 per share of the Convertible Preferred Stock, payable in cash, which is equal to 100% of the liquidation preference of a share of the Convertible Preferred Stock plus accumulated and unpaid dividends to, but excluding, the Redemption Date.

If a holder elected to convert such holder's shares of the Convertible Preferred Stock prior to the Redemption Date, the Convertible Preferred Stock was settled for a combination of cash and shares of the Company's common stock. A holder that made such an election on April 27, 2021 received \$1,000 in cash and 2.0667 shares of the Company's common stock for each share of Convertible Preferred Stock that was converted (such conversion, “Conversion 1”). A holder that made such an election between April 28, 2021 and June 2, 2021 received \$1,000 in cash and 2.0779 shares of the Company's common stock for each share of Convertible Preferred Stock that was converted (such conversion, “Conversion 2,” and together with Conversion 1, the “Conversions”). Conversion 1 settled on June 2, 2021. Conversion 2 settled on June 3, 2021.

### **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.**

The Redemption will be treated as a distribution to which Section 301 of the Internal Revenue Code of 1986, as amended (the “Code”), applies unless the Redemption (i) is “not essentially equivalent to a dividend” within the meaning of Section 302 of the Code, (ii) is “substantially disproportionate” with respect to the holder being redeemed or (iii) completely terminates the holder's interest in the Company. In determining whether any of these tests have been satisfied, a holder generally must take into account stock actually owned as well as stock treated as constructively owned under the Code. The determination of whether any of the foregoing tests is satisfied depends on a holder's particular facts and circumstances as of the time of the Redemption.

If a holder of shares of Convertible Preferred Stock satisfies any of the foregoing tests with respect to the Redemption, such holder generally will be treated as having disposed such shares in a redemption under Section 302 of the Code and will generally recognize gain or loss equal to the difference between the amount realized by such holder in the Redemption and such holder's adjusted tax basis in such shares. Such gain or loss will generally be long-term capital gain or loss if the holder's holding period in respect of such shares was more than one year, and such shares were held as capital assets within the meaning of the Code, as of the Redemption Date.

Notwithstanding the foregoing, the portion of the Redemption Price that is allocable to accumulated and unpaid dividends to, but excluding, the Redemption Date, will be treated as a distribution to which Section 301 of the Code applies.

Holders should consult their tax advisors regarding the proper treatment of the Redemption in light of their particular circumstances.

Each Conversion should be treated as a recapitalization within the meaning of Section 368(a)(1)(E) of the Code. A holder of shares of Convertible Preferred Stock will recognize gain (but not loss) on the applicable Conversion in an amount equal to the lesser of (i) the excess, if any, of the amount of cash and the fair market value of the common stock received over the holder's adjusted tax basis in shares of the Convertible Preferred Stock surrendered and (ii) the amount of cash received. U.S. federal income tax laws do not specifically identify how to determine the fair market values of the Company's common stock. Holders should consult their tax advisors to determine the appropriate fair market values. One approach is to use the average of the high and low trading prices quoted on the New York Stock Exchange on the date of the relevant exchange.

Any gain or loss recognized on a Conversion would generally be capital gain or loss and would be long-term capital gain or loss if, at the time of each Conversion, the shares of Convertible Preferred Stock were held for more than one year and as capital assets within the meaning of the Code. To the extent that the receipt of cash has the effect of a dividend, such cash would be taxable as a distribution to which Section 301 of the Code applies.

A holder's tax basis in the common stock received in the applicable Conversion will be the same as the holder's adjusted tax basis in the shares of Convertible Preferred Stock surrendered, increased by the amount of gain recognized and decreased by the amount of cash received.

If a Conversion is not treated as a recapitalization, a holder may recognize an amount of gain that is different in respect of such Conversion than the amount described above. Additionally, if a holder elected to convert only a portion of its shares of Convertible Preferred Stock and received cash in exchange for its remaining shares in the Redemption, then the tax consequences in respect of those redeemed shares may be different than the tax consequences described above. Holders should consult their tax advisors regarding the proper treatment of the applicable Conversion or Redemption.

**THIS INFORMATION IS SOLELY FOR ILLUSTRATIVE PURPOSES AND IS NOT TAX ADVICE. YOU SHOULD CONSULT YOUR TAX ADVISOR AS TO THE TAX CONSEQUENCES OF THE DISTRIBUTION UNDER U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX LAWS.**

**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.**

As discussed in Item 15 above, a holder's tax basis in the common stock received in the applicable Conversion will be the same as the holder's adjusted tax basis in the shares of

Convertible Preferred Stock surrendered, increased by the amount of gain recognized and decreased by the amount of cash received.

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

301, 302, 1001, 368, 354, 356, 358, 1221, 1222

**18. Can any resulting loss be recognized?**

Yes. See Item 15 above.

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

For a holder of shares of Convertible Preferred Stock whose tax year is the calendar year, the reportable tax year in respect of the Redemption or Conversion is generally the 2021 calendar year.