

Trinity Industries, Inc.
Distribution of Arcosa Company Common Stock
Attachment to Form 8937
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 September 25th, 2018, the Board of Directors of Trinity Industries, Inc. ("Trinity") declared a pro rata distribution of 100% of the outstanding shares of Arcosa, Inc. ("Arcosa") common stock to Trinity shareholders of record as of the close of business on October 17, 2018 (the "Record Date") and payable on November 1, 2018 (the "Distribution Date"). On the Distribution Date, Trinity completed the spin-off of Arcosa (the "Distribution"). For every three (3) shares of Trinity common stock held as of the close of business on the Record Date, Trinity shareholders received one (1) share of Arcosa common stock on the Distribution Date. No fractional shares of Arcosa were issued. Shareholders received cash in lieu of fractional shares.

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 percentage of old basis.

Trinity shareholders should allocate their aggregate tax basis in their Trinity common stock held immediately prior to the Distribution among the shares of Arcosa common stock received in the Distribution (including any fractional share of Arcosa common stock for which cash was received) and their Trinity common stock in proportion to their respective fair market values immediately after the Distribution.

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.

The U.S. federal income tax laws provide that the allocation of the aggregate tax basis discussed under Line 15 above shall be allocated based on the respective fair market values of the resulting Trinity and Arcosa shares received. However, the tax law does not provide any further guidance on the determination of fair market value. Absent specific guidance, various methods have been used in allocating the original basis between companies involved in a Distribution of shares, such as:

- The opening trading price quoted for Trinity and Arcosa on the New York Stock Exchange on November 1, 2018, the first trading day after the Distribution, which was \$21.31 and \$22.20, respectively. Using a 3 shares of Trinity for one share of Arcosa ratio; 74.23% of the tax basis would be allocated to Trinity and 25.77% would be allocated to Arcosa.
- The closing trading price quoted for Trinity and Arcosa on the New York Stock Exchange on November 1, 2018, the first trading day after the Distribution, which was \$22.72 and \$27.50, respectively. Using a 3 shares of Trinity for one share of Arcosa ratio; 71.25% of the tax basis would be allocated to Trinity and 28.75% would be allocated to Arcosa.
- The average of the opening and closing trading prices quoted for Trinity and Arcosa on the New York Stock Exchange on November 1, 2018, the first trading day after the Distribution, which

was \$22.02 and \$24.85, respectively. Using a 3 shares of Trinity for one share of Arcosa ratio; 72.67% of the tax basis would be allocated to Trinity and 27.33% would be allocated to Arcosa.

- The average of the highest and lowest trading prices quoted for Trinity and Arcosa on the New York Stock Exchange on November 1, 2018, the first trading day after the Distribution, which was \$21.79 and \$26.35, respectively. Using a 3 shares of Trinity for one share of Arcosa ratio; 71.27% of the tax basis would be allocated to Trinity and 28.73% would be allocated to Arcosa.

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

The applicable Internal Revenue Code sections upon which the tax treatment is based are sections 355, 358(a)(1), 358(b), 358(c) and 368(a)(1)(D).

Line 18. Can any resulting loss be recognized?

Trinity intends for the Distribution to qualify as a “reorganization” under sections 355 and 368(a)(1)(D) of the Internal Revenue Code. Assuming that this characterization is respected, Trinity shareholders generally will not recognize any loss on the Distribution for U.S. federal income tax purposes. Loss, if any, may be recognized with respect to the hypothetical fractional share redemption.

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

The Distribution occurred on November 1, 2018. As a result, the basis adjustments in the shares of Trinity common stock and Arcosa common stock should be reported in the taxable year that includes this date. In the case of shareholders who are calendar year taxpayers, the Distribution is reportable in the tax year ending December 31, 2018.