



**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 Form 8937, Appendix A

18 Can any resulting loss be recognized? ▶  
See attached Form 8937, Appendix A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
See attached Form 8937, Appendix A

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 ▶ Michael J. Lyon Date ▶ 4/28/2017

Print your name ▶ Michael J. Lyon Title ▶ V.P. 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.	

**Kaman Corporation**  
**Form 8937, Appendix A**

On March 21, 2017 (the "Record Date"), each shareholder of the common stock of Kaman Corporation ("Kaman") that was listed as a holder of record became entitled to a cash dividend with respect to its common stock. The cash dividend was paid to each shareholder of the common stock of Kaman on April 6, 2017. On March 17, 2017 ("the Ex-Dividend Date"), the cash dividend resulted in an increase in the Warrants (as defined below) and a deemed distribution under section 301 of the Internal revenue Code of 1986, as amended (the "Code") by reason of Section 305(b)(2) and 305(c) of the Code. Section 6045B of the Code and the underlying Treasury Regulations (the "Regulations") provide that effective January 1, 2016, if a corporation issues a cash dividend with respect to stock that results in a conversion rate adjustment on a warrant that is treated as a deemed distribution under Section 305(b)(2) and 305(c) of the Code, an information return (above, Form 8937) must be filed with the Internal Revenue Service ("IRS") describing, among other things, the action and the action's quantitative effect.

The information contained in the attached Form 8937 and this Appendix A thereto is intended to satisfy the requirements of public reporting under Section 6045B of the Code and Sections 1.6045B-1(a)(3) and (b)(4) of the Regulations by Kaman. The information contained in this notice is intended to provide only a general summary of certain U.S. federal income tax consequences of the conversion rate adjustment and is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the conversion rate adjustment. You should consult your own tax advisor to determine the particular federal, state, local, or foreign reporting or other tax consequences of the conversion rate adjustment to you.

Line 14 - Description of the Organizational Action	On the record Date, each shareholder of common stock of Kaman that was listed as a holder of record became entitled to a cash dividend with respect to its common stock. Pursuant to Section 12.05(d) of the indenture, the conversion rate on the Written Call Option (the "Warrants") was increased on the Ex-Dividend Date to take into account the portion of such dividend which was in excess of 14 cents per share. Such adjustment to the conversion rate on the Ex-Dividend Date is treated as a deemed distribution of property to the holders of the Warrants to which Section 301 of the Code applies by reason of Sections 305(b)(2) and 305(c).
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Line 15 - Quantitative Effect of Organizational Action	Because there was a cash dividend declared and paid with respect to common stock and a corresponding increase in the conversion rate on the Warrants, such increase in conversion rate of the Warrants constitutes a deemed distribution of common stock to the holders of Warrants to which Section 301 applies. Kaman expects that it will have sufficient current or accumulated earnings and profits to treat the deemed distribution of property to the holders of the Warrants as a dividend for U.S. federal income tax purposes and increase the basis of the Warrants by the fair market value of the deemed distribution. Therefore, as a result of the increase in the conversion rate of the Warrants, a conversion adjustment which totals \$57,285 has been realized by the holders of the warrants. Each respective holder of the Warrants is required to include their respective share of the \$57,285 in gross income and increase basis in such Warrants by the same amount.
Line 16 - Calculation of Change in Basis	Sample Calculation: A Warrant holder owning 50% of the Warrants will include \$28,643 in income and increase its basis in such Warrants by the same amount as a result of the inclusion of the dividend in gross income for U.S. federal income tax purposes.
Line 17 - Code Sections Upon Which Tax Treatment is Based	Sections 305(b)(2), 305(c), 301(c), 316 and 301(d) of the Code
Line 18 - Recognition of any Resulting Loss	This is not a loss transaction.
Line 19 - Reportable Tax Year	The reportable tax year is 2017 for taxpayer reporting taxable income on a calendar year basis.