

Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name

HAT HOLDINGS I LLC and HAT HOLDINGS II LLC

2 Issuer's employer identification number (EIN)

46-2843576 and 47-1140195

3 Name of contact for additional information

4 Telephone No. of contact

5 Email address of contact

HASI INVESTOR RELATIONS

410-571-6189

INVESTORS@HASI.COM

6 Number and street (or P.O. box if mail is not delivered to street address) of contact

7 City, town, or post office, state, and ZIP code of contact

One Park Place, Suite 200

ANNAPOLIS, MD 21401

8 Date of action

9 Classification and description

July 5, 2023

0% GREEN EXCHANGEABLE SENIOR NOTES DUE 2025

10 CUSIP number

11 Serial number(s)

12 Ticker symbol

13 Account number(s)

418751AG8

HASI

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

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 ► [SEE ATTACHED](#)

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 ► [SEE ATTACHED](#)

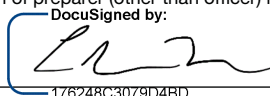
16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► [SEE ATTACHED](#)

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](#)**18** Can any resulting loss be recognized? ► [SEE ATTACHED](#)**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► [SEE ATTACHED](#)**Sign
Here**

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.

DocuSigned by:

Signature ► /s/ Charles W. Melko



Date ► 7/12/2023

176248C3079D4BD...

Print your name ► CHARLES W. MELKO

Title ► SENIOR VP & CAO

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Hannon Armstrong Sustainable Infrastructure Capital, Inc.
Conversion Rate Adjustment on Exchangeable Note Deemed a Distribution
Attachment to Form 8937

Consult Your Tax Advisor

Shareholders are urged to consult their own tax advisor with respect to the U.S. federal, state and local, and foreign tax consequences of the conversion rate adjustment on the exchangeable note deemed a distribution.

Part II – Organizational Action

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 May 4, 2023, the Board of Directors for Hannon Armstrong Sustainable Infrastructure Capital, Inc. ("HASI") approved a quarterly cash dividend on common stock of \$.395 a share. The dividend is payable on July 12, 2023, to common stockholders of record on July 5, 2023 (ex-dividend date of July 3, 2023). Pursuant to Section 4.04 of the Second Supplemental Indenture, dated as of April 13, 2022, 0% Exchangeable Senior Notes due 2025, the conversion rate on the Convertible Notes was increased to take into account the portion of such quarterly dividend which was in excess of 37.5 cents per share (the "Conversion Rate Adjustment"). Such adjustment to the conversion ratio is treated as a deemed distribution of property to the holders of the Exchangeable Note to which Section 301 applies by reason of Section 305(b)(2) and Section 305.

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.

Because there was a cash dividend declared and paid with respect to the common stock and a corresponding Conversion Rate Adjustment, such Conversion Rate Adjustment constitutes a deemed distribution of common stock with respect to each Exchangeable Note to which Section 301 applies. The amount of the deemed distribution with respect to each Exchangeable Note is the fair market value of the incremental share of common stock to which the holder of the Exchangeable Note is entitled by reason of the Conversion Rate Adjustment. The conversion rate increased from 17.700 shares of HASI common stock per Exchangeable Note to 17.714 shares of HASI common stock per Exchangeable Note. Based on the per common share market value of \$25.00 on the trading day immediately preceding the ex-dividend date of July 3, 2023, the fair market value of the incremental share of common stock to which a holder of a Exchangeable Note is entitled is \$0.35968. The basis of each Exchangeable Note is increased by the fair market value of the deemed distribution. (In the event and to the extent that the fair market value of the deemed distribution (\$0.35968) exceeds the allocable share of current and accumulated earnings and profits (the "excess amount"), each holder of a Exchangeable Note would reduce the basis of the Exchangeable Note by such excess

amount (but not below zero), and then increase the basis of the Exchangeable Note by the fair market value of the deemed distribution.)

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

The amount of the deemed distribution per Convertible Note is \$0.35968. The basis of each Exchangeable Note is increased by \$0.35968. (In the event and to the extent the fair market value of the deemed distribution (\$0.35968) exceeds the allocable share of current and accumulated earnings and profits (the "excess amount"), each holder of a Exchangeable Note would reduce the basis of the Exchangeable Note by such excess amount (but not below zero), and then increase the basis of the Exchangeable Note by \$0.35968.)

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

IRC Sections 305(b)(2), 305(c), 301(c) and 301(d)

Line 18. Can any resulting loss be recognized?

No.

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

The reportable tax year is calendar year 2023.