

V.F. Corporation
EIN: 23-1180120
Date of Action: May 22, 2019

Attachment to Internal Revenue Service Form 8937

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”) and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Distribution (as defined below) on the tax basis of shares of VF Corporation (“VF”) common stock (NYSE: VFC) and the allocation of tax basis between shares of VF common stock and Kontoor Brands Inc. (“Kontoor Brands”) common stock (NYSE: KTB) pursuant to the Distribution. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. Neither VF nor Kontoor Brands provides tax advice to its stockholders and the example provided below is merely illustrative. Stockholders are urged to consult their own tax advisors regarding the particular consequences of the Distribution to them, including the applicability and effect of all U.S. federal, state and local and foreign tax laws. Stockholders are urged to read the amended registration statement on Form 10 of Kontoor Brands, as filed with the Securities and Exchange Commission on April 1, 2019 (the “Form 10”), particularly the discussion beginning on page 45 under the heading “Material U.S. Federal Income Tax Consequences of the Spinoff.” Stockholders may access the Form 10 at www.sec.gov.

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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 22, 2019, VF distributed *pro rata* to VF’s stockholders all of the outstanding common stock of Kontoor Brands (the “**Distribution**”). In the Distribution, each holder of VF common stock received one share of Kontoor Brands common stock for every seven shares of VF common stock held as of the record date of May 10, 2019. No fractional shares of Kontoor Brands common stock were issued.

All fractional shares of Kontoor Brands common stock that the stockholders of VF otherwise would have been entitled to receive as a result of the Distribution will be aggregated into whole shares and sold on the open market, and the resulting cash proceeds of the sale will be paid to such stockholders.

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 consequence of the Distribution, VF stockholders will be required to allocate the aggregate tax basis in their VF common stock held immediately before the Distribution

among the Kontoor Brands common stock received in the Distribution (including any fractional share interest in Kontoor Brands for which cash is received). A stockholder's aggregate tax basis in his or her shares of VF common stock held immediately prior to the Distribution should be allocated in proportion to the relative fair market value of the VF common stock and the Kontoor Brands common stock. Stockholders that acquired VF common stock at different times or different prices must calculate their basis in each block of stock and then allocate a portion of that tax basis to the VF common stock and the Kontoor Brands common stock received with respect thereto.

Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how a stockholder should determine the fair market values of the VF common stock and the Kontoor Brands common stock for purposes of allocating the stockholder's tax basis. Stockholders should consult their own tax advisor to determine what measure of fair market value is appropriate.

There are several possible methods for determining the fair market values of VF common stock and Kontoor Brands common stock. One possible approach is to utilize the New York Stock Exchange market closing price on May 23, 2019, the date on which Kontoor Brands stock first traded, (the "**Closing Price**") as an indication of the fair market value. For VF common stock the Closing Price was \$84.09 per share and for Kontoor Brands common stock the Closing Price was \$38.60 per share.

Based on that approach and the assumptions and calculations set forth in Line 16 below, 93.8460% of a VF stockholder's aggregate tax basis in his or her shares of VF common stock immediately prior to the Distribution would be allocated to such shareholder's shares of VF common stock and 6.1540% would be allocated to such shareholder's shares of Kontoor Brands common stock received in the Distribution (including any fractional share interest in Kontoor Brands for which cash is received). Other approaches to determine fair market value may also be possible. VF stockholders are not bound by the approach illustrated above and may, in consultation with their own tax advisor, use another approach in determining fair market values for VF common stock and Kontoor Brands common stock.

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.

As described in Line 15 above, in general, VF stockholders will be required to allocate the aggregate tax basis in their VF common stock held immediately before the Distribution among the Kontoor Brands common stock received in the Distribution (including any fractional share interest in Kontoor Brands for which cash is received).

The following is an example illustrating how the above-described approach to basis allocation would be applied.

Assumptions:

- Mr. Jones holds on the record date 70 shares of VF common stock as a capital asset, all of which were acquired on June 8, 2015 in a single lot for \$70 per share.
- Upon the Distribution, Mr. Jones receives one share of Kontoor Brands common stock for every seven shares of VF common stock.
- Ms. Jones's aggregate tax basis in the 70 shares of VF common stock and 10 shares of Kontoor Brands common stock is \$4,900.

Tax basis allocation:

	# Shares Owned	Assumed Beginning Basis	Price	FMV of Shares Owned	Percentage of Total FMV	Allocated Tax Basis
VF common stock	70	\$4,900.00	\$84.09 ¹	\$5,886.30 ³	93.8460% ⁵	\$4,598.45
Kontoor Brands common stock	10		\$38.60 ²	\$386.00 ⁴	6.1540% ⁶	\$301.55
Total				\$6,272.30	100%	\$4,900

¹ The Closing Price of VF common stock on May 23, 2019.

² The Closing Price of Kontoor Brands common stock on May 23, 2019.

³ 70 shares x \$84.09

⁴ 10 shares x \$38.60

⁵ \$5,886.30/\$6,272.30

⁶ \$386.00/\$6,272.30

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

Section 355; Section 358; Section 368; Section 1001; Section 1223.

Line 18 – Can any resulting loss be recognized?

Generally, no gain or loss will be recognized for tax purposes as a result of the Distribution. A VF stockholder who receives cash in lieu of a fractional share of Kontoor

Brands common stock will recognize gain or loss equal to the difference between the amount of cash received and the tax basis in his or her fractional share. The deductibility of capital losses is subject to limitations.

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

The Distribution was consummated on May 22, 2019. For a VF stockholder whose taxable year is the calendar year, the reportable tax year is 2019.