# Form **8937**

(December 2017)
Department of the Treasury
Internal Revenue Service

## Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-0123

1 Issuer's name		2 Issuer's employer identification number (EIN)			
Teradyne, Inc.				04-2272148	
			one No. of contact	5 Email address of contact	
Andrew Blanchard			070 270 2425	in a standard of the standard	
6 Number and street (or P.O. box if mail is not delivered			978-370-2425 street address) of contact	investorrelations@teradyne.com 7 City, town, or post office, state, and ZIP code of contact	
				2 only, to my or post smoot state, and all soud of domain	
600 Riverpark Drive		North Reading, MA 01864			
8 Date of action		9 Cla	ssification and description		
February 18, 2021	1		Senior Convertible Notes Due		
10 CUSIP number	11 Serial number(s	3)	12 Ticker symbol	13 Account number(s)	
880770 AG7	ISIN US880770AG70		TER		
THE RESERVE OF THE PERSON NAMED IN COLUMN 1				e back of form for additional questions.	
15 Describe the quan share or as a perce	titative effect of the orga entage of old basis ► <u>Se</u>	nizational a	ction on the basis of the securit	ty in the hands of a U.S. taxpayer as an adjustment per	
Describe the calcuvaluation dates	lation of the change in b See Appendix A attache	asis and the	edata that supports the calcula	tion, such as the market values of securities and the	

rant II		organizational Action (cont	inuea)		
17 List	the	applicable Internal Revenue Code	section(s) and subsection(s) upon wh	ich the tax treatment is based	1▶
Sections	301	(c), 301(d), 305(b)(2), 305(c), and	316.		
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			The second second second		
<b>18</b> Can	any	resulting loss be recognized? ▶	This is not a loss transaction.		
19 Prov	vide <b>ersi</b> e	any other information necessary to on rate adjustment is 2021 for a o	implement the adjustment, such as to calendar year taxpayer.	the reportable tax year ▶ The	reportable tax year for
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	_				
_					
		A CONTRACTOR OF THE PROPERTY O			
U	Inder	penalties of perjury, I declare that I ha	ve examined this return, including accomp	panying schedules and statemen	ts, and to the best of my knowledge and
	elief,	it is true, correct, and complete. Declar	ation of preparer (other than officer) is bas	ed on all information of which pre	parer has any knowledge.
Sign		m 11/ 11		- 1	
Here s	ignat	ture > ///wh Ca/u		Date Feb.	ruary 23,2021
515	3			Date -	., ., .,
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	rint y	our name ► Michael Callahan Print/Type preparer's name	Propararia signatura		ate Controller
Paid		i ilito i ype preparer's name	Preparer's signature	Date	Check if PTIN
Prepare	er				self-employed
Use On	ily	Firm's name ▶			Firm's EIN ▶
		Firm's address ▶			Phone no.
Send Form	n 893	37 (including accompanying states	nents) to: Department of the Treasury	Internal Payanua Sarrias O	

#### Teradyne, Inc. Appendix A to Form 8937 February 18, 2021 Conversion Rate Adjustment

Teradyne, Inc. (NASDAQ:TER) (the "Company") has outstanding \$460 million in aggregate principal amount of 1.25% Convertible Senior Subordinated Notes due 2023 (the "2023 Notes"). The 2023 Notes are convertible, at the option of the holders, at any time prior to the close of business on the business day immediately preceding December 15, 2023, into shares of the Company's common stock, par value \$0.125 per share (the "Common Stock"). The terms of the 2023 Notes include antidilutive protections that provide for an increase in the number of shares of Common Stock issued by the Company upon conversion of the 2023 Notes in the event of quarterly cash dividends on the Common Stock. This increase in the conversion rate on the 2023 Notes shall occur on the ex-dividend date for quarterly cash dividends paid on the Common Stock.

Section 6045B of the United States ("U.S.") Internal Revenue Code (the "Code") and the Treasury Regulations promulgated thereunder provide that, if a company pays a cash dividend with respect to its stock that results in a conversion rate adjustment on a convertible debt instrument that is treated as a deemed distribution under Section 305(b)(2) and (c) of the Code, an information return on Form 8937, Report of Organizational Actions Affecting Stock Basis of Securities, must be filed with the Internal Revenue Service or, in lieu of filing, posted to the company's public website.

The information contained in the attached Form 8937 and this Appendix A is intended to satisfy the public reporting requirements under Section 6045A of the Code and is intended to provide only a general summary of certain U.S. federal income tax consequences of the conversion rate adjustment. Such information is not intended to be a complete analysis or description of all potential deferral or other tax consequences of the conversion rate adjustment. You should consult your own tax advisor to determine the particular federal, state, local, or foreign income, reporting, or other tax consequences of the conversion rate adjustment applicable to you.

#### <u>Line 14 – Description of the Organizational Action</u>

On January 25, 2021, the Company declared a quarterly cash dividend of \$0.10 per share with respect to its Common Stock payable on March 19, 2021 to shareholders of record as of the close of business on February 19, 2021. The February 18, 2021 conversion rate increase results in a deemed dividend to holders of the 2023 Notes under Section 305(c) of the Code effective February 18, 2021.

### <u>Line 15 - Description of the Quantitative Effect of the Organizational Action</u>

Effective on February 18, 2021, the conversion rate on the 2023 Notes increases from 31.6871 shares of Common Stock per \$1,000 principal (the conversion rate as of November 24, 2020) to 31.6967 shares of Common Stock per \$1,000 principal of 2023 Notes held. The section 305 (c) deemed dividend to holders of the 2023 Notes that resulted from the conversion rate change increased the basis of the 2023 Notes by \$1.3104 per \$1,000 principal of 2023 Notes held.

### <u>Line 16 – Description of Calculation of the Change</u>

The calculation of the adjusted conversion rate per \$1,000 principal amount of 2023 Notes held is set forth below. The "Market Value" under the indenture for the 2023 Notes is the average

closing price for the 10 trading days preceding and including the day before the ex-dividend date (such ex-dividend date was February 18, 2021).

Adj. Conversion Rate = PCR (31.6871) x  $\underline{MV (\$131.87) - DTA (\$0.06)}$  = 31.6967  $\underline{MV (\$131.87) - D (\$0.10)}$ 

Basis Adjustment = SP (\$136.50) \* Conversion Adj. [(31.6967) – (31.6871)] = \$1.3104 per \$1,000 of principal amount of the 2023 Notes

PCR = Prior Conversion Ratio (calculated as of November 24, 2020)

MV = Market Value of 1 Common Share (As Calculated per 2023 Notes Indenture)

DTA = Dividend Threshold Amount

D = Dividend Amount (February 19, 2021 record date)

SP = Stock Price (February 18, 2021 ex-dividend date)