# 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

Part Reportin	ig Issuer					
1 Issuer's name		2 Issuer's employer identification number (EIN)				
Teradyne, Inc.		04-2272148				
3 Name of contact for	additional information	4 Teleph	one No. of contact	5 Email address of contact		
Andrew Blanchard 978-3			2425	investorrelations@teradyne.com		
6 Number and street (	or P.O. box if mail is no	t delivered t	o street address) of contact	7 City, town, or post office, state, and ZIP code of contact		
600 Riverpark Drive				North Reading, MA 01864		
8 Date of action						
8 Date of action  February 20, 2020  1			.25% Senior Convertible Notes Due 2023			
10 CUSIP number	11 Serial number	(s)	12 Ticker symbol	13 Account number(s)		
880770 AG7	880770 AG7 ISIN US880770A		TER			
	e Appendix A attache		the date of the action of the date	e against which shareholders' ownership is measured for		
15 Describe the quant share or as a perce	titative effect of the orgentage of old basis ▶	anizational a	action on the basis of the securit dix A attached hereto.	ty in the hands of a U.S. taxpayer as an adjustment per		
16 Describe the calcuvaluation dates ▶	lation of the change in l	pasis and the	e data that supports the calcula	tion, such as the market values of securities and the		
		875				
A.			4 10 10 10 10 10 10 10 10 10 10 10 10 10			
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Part II	(	Organizational Action (contin	ued)		
		applicable Internal Revenue Code se		ch the tax treatment is	based >
Section	s 30	1(c), 301(d), 305(b)(2), 305(c), a	and 316.		
			44.		
		220			
18 Ca	n any	resulting loss be recognized? ▶ _	This is not a loss transaction.		
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	alle mare de				
	-				
			A STORY WATER		
19 Pro	ovide	any other information necessary to	mplement the adjustment, such as t	he reportable tax year I	► The reportable tax
year fo	r this	s conversion rate adjustment is 2	020 for a calendar year taxpayer		
Table I					
			A PROPERTY OF THE LOCAL PROPERTY OF THE PARTY OF THE PART		
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	Unde	r penalties of periury. I declare that I have	e examined this return, including accom	nanying schedules and et	atements, and to the best of my knowledge
	belief	, it is true, correct, and complete. Declara	tion of preparer (other than officer) is bas	ed on all information of wh	nich preparer has any knowledge.
Sign		mt.	MA		
Here	Signa	ature > //// (a	NU (	Date▶	April 28, 2020
	Print	your name ► Michael Callahan		Title ► (	Corporate Controller
Paid		Print/Type preparer's name	Preparer's signature	Date	Check if PTIN
Prepa					self-employed
Use O	nly	Firm's name			Firm's EIN ▶
Send For	m 89	Firm's address > 037 (including accompanying statem	ents) to: Department of the Tressum	Internal Payonus Com	Phone no.

#### Teradyne, Inc. Appendix A to Form 8937 February 20, 2020 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 22, 2020, the Company declared a quarterly cash dividend of \$0.10 per share with respect to its Common Stock payable on March 30, 2020 to shareholders of record as of the close of business on February 21, 2020. The February 20, 2020 conversion rate increase results in a deemed dividend to holders of the 2023 Notes under Section 305(c) of the Code effective February 20, 2020.

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

Effective on February 20, 2020, the conversion rate on the 2023 Notes increases from 31.6218 shares of Common Stock per \$1,000 principal (the conversion rate as of December 12, 2019) to 31.6397 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 2020 Notes by \$1.2152 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 20, 2020).

Adj. Conversion Rate = PCR (31.6218) x  $\underline{MV}$  (\$70.63) -  $\underline{DTA}$  (\$0.06) = 31.6397  $\underline{MV}$  (\$70.63) -  $\underline{D}$  (\$0.10)

Basis Adjustment = SP (67.89) \* Conversion Adj. [(31.6397) – (31.6218)] = \$1.2152 per \$1,000 of principal amount of the 2023 Notes

PCR = Prior Conversion Ratio (calculated as of December 12, 2019)
MV = Market Value of 1 Common Share (As Calculated per 2023 Notes Indenture)
DTA = Dividend Threshold Amount
D = Dividend Amount (February 21, 2020 record date)
SP = Stock Price (February 20, 2020 ex-dividend date)