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 I Reportin	g Issuer			A CONTRACTOR OF THE PERSON OF		
1 Issuer's name				2 Issuer's employer identification number (EIN)		
				(211)		
Teradyne, Inc.				04-2272148		
3 Name of contact for	additional information	4 Telepho	one No. of contact	5 Email address of contact		
Management and a second						
	Andrew Blanchard		978-370-2425	investorrelations@teradyne.com		
6 Number and street (or P.O. box if mail is not	7 City, town, or post office, state, and ZIP code of contact				
600 Riverpark Drive 8 Date of action				North Reading, MA 01864		
• Date of action		9 Cla	ssification and description			
May 20, 2020						
May 26, 2020 10 CUSIP number	11 Serial number(s	1.25%	Senior Convertible Notes Due			
15 GGGII Hamber	Ti Serial Humber(s)		12 Ticker symbol	13 Account number(s)		
880770 AG7	ISIN HEODOZZ	104070				
	ISIN US88077	h addition	TER			
14 Describe the organ	izational action and if a	policoble t	a state of the action with the	back of form for additional questions.		
the action ▶ see	Appendix A attached h	pplicable, ti	ne date of the action or the date	against which shareholders' ownership is measured for		
<u>366</u>	Appendix A attached r	iereto.				
			The state of the s			
15 Describe the quant	itative effect of the orga	nizational a	ction on the basis of the assurate	y in the hands of a U.S. taxpayer as an adjustment per		
share or as a perce	ntage of old basis ► Se	o Appondi	A attacked basis of the security	in the hands of a U.S. taxpayer as an adjustment per		
	<u> </u>	e Appendi	x A attached hereto.			
16 Describe the calculate	ation of the change in ba	asis and the	data that supports the calculati	ion, such as the market values of securities and the		
valuation dates ► S	ee Appendix A attache	ed hereto.		the second secon		
			4			
or Pananuark Baduatia						

List the a							
etiene 201	pplicable Internal Revenue Co	ode section(s) and subsection	n(s) upon which the tax	x treatmen	t is based		
ctions 301(c	c), 301(d), 305(b)(2), 305(c), a	and 316.					
		and the second					
					1125		
Can any r	resulting loss be recognized? I	➤ This is not a loss trans	action			2	
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Teradyne, Inc. Appendix A to Form 8937 May 26, 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 May 7, 2020, the Company declared a quarterly cash dividend of \$0.10 per share with respect to its Common Stock payable on June 19, 2020 to shareholders of record as of the close of business on May 27, 2020. The May 26, 2020 conversion rate increase results in a deemed dividend to holders of the 2023 Notes under Section 305(c) of the Code effective May 26, 2020.

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

Effective on May 26, 2020, the conversion rate on the 2023 Notes increases from 31.6397 shares of Common Stock per \$1,000 principal (the conversion rate as of February 20, 2020) to 31.6604 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 \$1.3424 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 May 26, 2020).

Adj. Conversion Rate = PCR (31.6397) x $\frac{MV (\$61.22) - DTA (\$0.06)}{MV (\$61.22) - D (\$0.10)}$ = 31.6604

Basis Adjustment = SP (64.85) * Conversion Adj. [(31.6604) – (31.6397)] = \$1.3424 per \$1,000 of principal amount of the 2023 Notes

PCR = Prior Conversion Ratio (calculated as of February 20, 2020)

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

DTA = Dividend Threshold Amount

D = Dividend Amount (May 27, 2020 record date)

SP = Stock Price (May 26, 2020 ex-dividend date)