



**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 ATTACHMENT](#)

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18 Can any resulting loss be recognized? ▶ [SEE ATTACHMENT](#)

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [SEE ATTACHMENT](#)

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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.

**Sign Here** Signature ▶ *Jonathan Curtin* Date ▶ August 3, 2021

Print your name ▶ Jonathan Curtin Title ▶ Vice President

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**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.**

- a. On July 1, 2021, ICON plc ("ICON") and ICON US Holdings Inc. ("US HoldCo"), a wholly owned subsidiary of ICON acquired PRA Health Sciences, Inc. ("PRA") through a merger of Indigo Merger Sub, Inc., a wholly owned subsidiary of ICON and US HoldCo ("Merger Sub"), with and into PRA, with PRA surviving as a wholly owned subsidiary of ICON and US HoldCo (the "Merger"). The Merger was intended to be treated as a fully taxable transaction for U.S. federal income tax purposes in which PRA shareholders received, in exchange for their PRA common shares, consideration consisting of ICON common shares and cash in lieu of fractional ICON common shares from ICON (such ICON common shares and cash in lieu of fractional ICON common shares, the "Equity Consideration") and cash from US HoldCo and PRA (the "Cash Consideration" and together with the Equity Consideration, the "Merger Consideration"). For U.S. federal income tax purposes, a disposition of each PRA common share by a PRA shareholder pursuant to the Merger was intended to be characterized as follows: (1) 26.04% of such share was intended to be treated as having been sold to US HoldCo for a portion of the Cash Consideration (the "US HoldCo Cash Consideration") in a transaction that, depending on the particular circumstances of such PRA shareholder (as discussed below), was intended to be treated either as a dividend- pursuant to Sections 302(d) and 304 of the Code or as a taxable sale pursuant to Sections 302(a) and 304 of the Code (the "US HoldCo Acquisition"), (2) 22.36% of such share was intended to be treated as having been redeemed by PRA for a portion of the Cash Consideration in a taxable redemption that was intended to be treated as a taxable sale pursuant to Section 302(a) of the Code (the "PRA Redemption") and (3) 51.60% of such share was intended to be treated as having been sold to ICON in a taxable sale for the Equity Consideration (the "ICON Purchase").
- b. With respect to the US HoldCo Acquisition:
  - i. If Sections 302(d) and 304 of the Code require a PRA shareholder to treat as a dividend any US HoldCo Cash Consideration received in respect of a portion of a PRA common share, the treatment of such shareholder's adjusted tax basis in such portion of such PRA common share is unclear. It is possible that all or a portion of such adjusted tax basis may either be (A) added to the adjusted tax basis of the portions of such shareholder's PRA common shares deemed sold in the PRA Redemption and the ICON Purchase or (B) added to the adjusted tax basis of the ICON common shares received by such shareholder in the Merger.
  - ii. If Sections 302(a) and 304 of the Code require a PRA shareholder to treat as taxable sale proceeds any US HoldCo Cash Consideration received in respect of a portion of a PRA common share, such shareholder should compute its taxable gain or loss with respect to such sale by reference to the amount realized with respect to such sale and such shareholder's adjusted tax basis in such portion of such PRA common share.
- c. With respect to each portion of a PRA common share deemed sold by a PRA shareholder pursuant to the ICON Purchase or the PRA Redemption, such shareholder should compute its taxable gain or loss with respect to such sale by reference to the amount realized with respect to such sale and such shareholder's adjusted tax basis in such portion of such PRA common share (which adjusted tax basis may include, if applicable, any tax basis reallocated from any portion of any PRA common share exchanged for the US HoldCo Cash Consideration, as described above).

- d. As discussed in the Form F-4 filed by ICON with the Securities and Exchange Commission on March 31, 2021, whether a PRA shareholder is entitled to sale treatment pursuant to Sections 302(a) and 304 of the Code with respect to the US HoldCo Acquisition will depend on such shareholder's actual and constructive ownership of PRA common shares and ICON common shares immediately before and immediately after the Merger.
  - e. You should talk to your tax advisor with respect to the U.S. federal income tax consequences of the Merger to you, including the possible application of Section 304 of the Code and related tax basis effects, based on your specific circumstances.
- 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.**
- a. As described in the response to question 14, whether a particular PRA shareholder will have any adjustments to the tax basis of its PRA common shares or its ICON common shares received in the Merger, and the extent of any such adjustment, will depend on whether and how Section 304 of the Code applies to such shareholder based on such shareholder's particular circumstances.
- 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.**
- a. The percentages of each PRA common share deemed to have been transferred pursuant to the US HoldCo Acquisition, the PRA Redemption or the ICON Purchase, respectively, are based on the fair market value of ICON common shares as of the date of the Merger (which ICON determined to be \$206.71<sup>1</sup> per share) and the total amount of cash payable pursuant to the Merger.
- 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**
- a. Sections 301, 302, 304, 317, 318, 351, 358, 1001, and 1012 of the Code.
- 18. Can any resulting loss be recognized?**
- a. It is intended that each PRA shareholder may recognize loss, if any, with respect to any portion of a PRA common share disposed of pursuant to the Merger, except with respect to any portion of a PRA common share exchanged for US HoldCo Cash Consideration that is treated as a dividend pursuant to Sections 302(d) and 304 of the Code.
- 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.**
- a. The transaction is reportable by each PRA shareholder in their tax year that includes July 1, 2021.
  - b. Each PRA shareholder should consult its own tax advisors with respect to the particular U.S. federal income tax consequences of the Merger to such shareholder. The information contained in this document does not constitute tax advice.
  - c. ICON is providing this information for informational purposes notwithstanding that the Merger may not constitute an "organizational action."

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<sup>1</sup> Fair market value of ICON common shares was determined by using the closing price of ICON stock on June 30, 2021. The merger was effective at 8 am Eastern Standard Time on July 1, 2021 prior to trading commencing.