

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.](#)

18 Can any resulting loss be recognized? ▶ [See attachment.](#)

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

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 ▶ Aaron Schaal Date ▶ November 8, 2022

Paid Preparer Use Only	Print your name ▶ <u>Aaron Schaal</u>	Preparer's signature	Title ▶ <u>SVP, Tax</u>	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶	
	Firm's address ▶				Phone no.	

XPO Logistics, Inc.
EIN: 03-0450326

ATTACHMENT TO FORM 8937 – PART II
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

CONSULT YOUR TAX ADVISOR

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”). This attachment 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 XPO Logistics, Inc. (“XPO”) common stock, and the allocation of tax basis among shares of XPO common stock and RXO, Inc. (“RXO”) common stock following the Distribution (as defined below). 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 shareholders. Neither XPO nor RXO provides tax advice to its shareholders. The example provided below is illustrative and is being provided pursuant to Section 6045B of the Code and as a convenience to shareholders and their tax advisers when establishing their specific tax position. You are urged to consult your own tax advisers regarding the particular consequences of the Distribution to you, including the applicability and effect of all U.S. federal, state, and local tax laws and foreign tax laws. We urge you to read the Information Statement, dated October 17, 2022 and filed with the Securities and Exchange Commission on October 20, 2022, noting especially the discussion therein under the heading “Material U.S. Federal Income Tax Consequences.” You may access the Information Statement at www.sec.gov.

Line 14. Describe the organizational action and, if applicable, the date of the action or date against which shareholders’ ownership is measured for the action.

On November 1, 2022 at 12:01 a.m. Eastern Time, pursuant to the terms and conditions of the Separation and Distribution Agreement dated as of October 31, 2022, by and among XPO and RXO, XPO distributed to its shareholders on a pro rata basis all of its shares of RXO common stock (the “Distribution”). Pursuant to the Distribution, each holder of XPO common stock as of the close of business of October 20, 2022 received one share of RXO common stock for each share of XPO common stock. The Distribution is intended to qualify as tax-free under Section 355 of the Code.

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 result of the Distribution, XPO shareholders will be required to allocate the aggregate tax basis in their XPO common shares held immediately prior to the Distribution among the RXO common shares received in the Distribution and their XPO common shares held immediately after the Distribution. This allocation should be made in proportion to the relative fair market values of the XPO common stock and RXO common stock. Shareholders that acquired XPO common shares

at different times or different prices will need to calculate their tax basis in each block of XPO common stock and then allocate a portion of that tax basis to the shares of RXO common stock received.

U.S. federal income tax law does not specifically prescribe how you should determine the fair market values of the XPO common stock and RXO common stock for purposes of allocating your tax basis. You should consult your tax advisor to determine what measure of fair market value is appropriate.

There are several possible methods for determining the fair market values of XPO common stock and RXO common stock. One possible approach is to utilize the NYSE closing trading prices on November 1, 2022 for XPO common stock (\$32.50 per share) and RXO common stock (\$19.06 per share) as an indication of the fair market value. Based on that approach and the assumptions and calculations set forth in Item 16 below, 63.0334% of an XPO shareholder's aggregate tax basis in his or her shares of XPO common stock immediately prior to the Distribution would be allocated to such shareholder's shares of XPO common stock following the Distribution, and 36.9666% of an XPO shareholder's aggregate tax basis in his or her shares of XPO common stock immediately prior to the Distribution would be allocated to such shareholder's shares of RXO common stock received in the Distribution. Other approaches to determine fair market value may also be possible. You are not bound by the approach illustrated above and may, in consultation with your tax advisor, use another approach in determining fair market values for XPO common stock and RXO 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 date.

The following is an illustrative example of how the previously described approach to basis allocation would be applied:

Assumptions:

- Shares of XPO common stock owned immediately prior to the Distribution: 1,000
- XPO shareholder's aggregate tax basis (assumed to be \$10.00 per share): \$10,000
- Shares of RXO common stock received in the Distribution (1,000 shares of XPO common stock multiplied by the distribution ratio of 1:1): 1,000

Tax Basis Allocation Illustration:

	# Shares Owned (A)	Beginning Tax Basis (B)	Price (C)	FMV of Shares Owned Post Distribution (A) x (C)	% of Total FMV (D)	Allocated Tax Basis (B) x (D)
XPO Common Stock	1,000 ¹	\$10,000 ²	\$32.50 ³	\$32,500.00	63.0334% ⁵	\$6,303.34
RXO Common Stock	1,000		\$19.06 ⁴	\$19,060.00	36.9666% ⁶	\$3,696.66
Total				\$51,560.00	100.00%	\$10,000.00

¹ Number of XPO common shares owned immediately prior to the Distribution.

² Aggregate basis in the XPO common stock owned immediately prior to the Distribution.

³ Closing market price of XPO common stock on November 1, 2022.

⁴ Closing market price of RXO common stock on November 1, 2022.

⁵ \$32,500.00 / \$51,560.00

⁶ \$19,060.00 / \$51,560.00

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

Section 355, Section 358, and Section 368(a)(1)(D).

Line 18. Can any resulting loss be recognized?

No loss may be recognized by an XPO shareholder upon receipt of RXO common stock in the Distribution.

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

The Distribution was effective on November 1, 2022. For an XPO shareholder whose taxable year is the calendar year, the reportable tax year is 2022.