



**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 ▶ *C. Filby* Date ▶ *16 November 2022*  
 Print your name ▶ *C. B. J. FILBY* Title ▶ *Tax Director*

<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.

**Rentokil Initial plc**  
**EIN 45-3212462**  
**Attachment to Form 8937**

**Form 8937, Part I, Box 9:**

Terminix common stock

**Form 8937, Part I, Box 10 (CUSIP Number):**

Terminix common stock: 88087E100

**Form 8937, Part I, Box 12 (Ticker Symbol):**

Terminix common stock: TMX

**Form 8937, Part II, Box 14:**

On October 12, 2022, pursuant to the Agreement and Plan of Merger, dated as of December 13, 2021 (the “**Merger Agreement**”), by and among Rentokil Initial plc, a public limited company incorporated under the laws of England and Wales (“**Rentokil Initial**”), Rentokil Initial US Holdings, Inc., a Delaware corporation and a direct wholly owned subsidiary of Rentokil Initial (“**Bidco**”), Leto Holdings I, Inc., a Delaware corporation and a direct wholly owned subsidiary of Bidco (“**Merger Sub I**”), Leto Holdings II, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of Bidco (“**Merger Sub II**”) and Terminix Global Holdings, Inc., a Delaware corporation (“**Terminix**”), (i) Merger Sub I merged with and into Terminix, with Terminix surviving (the “**First Merger**” and the effective time thereof, the “**First Merger Effective Time**”) and (ii) immediately following the First Merger, Terminix merged with and into Merger Sub II, with Merger Sub II surviving as a direct wholly owned subsidiary of Bidco (the “**Second Merger**,” and, together with the First Merger, the “**Mergers**”).

At the First Merger Effective Time, each share of outstanding Terminix common stock (other than Excluded Shares, as defined in the F-4 for Rentokil Initial as filed with the Securities and Exchange Commission on September 2, 2022, under the heading “Annex A—Agreement and Plan of Merger—Closing; the Mergers—Conversion and Cancellation of Shares in the First Merger” (available at:

[https://www.sec.gov/Archives/edgar/data/930157/000110465922097572/tm2215547-9\\_f4a.htm](https://www.sec.gov/Archives/edgar/data/930157/000110465922097572/tm2215547-9_f4a.htm)) (the “Form F-4”))) was converted into the right to receive either (1) only Rentokil Initial American depositary shares (“**Rentokil Initial ADSs**”), subject to delivery of cash in lieu of fractional Rentokil Initial ADSs (“**Stock Consideration**”) or (2) only cash (“**Cash Consideration**”), at the election of the holder and subject to automatic adjustment as between Stock Consideration and Cash Consideration as described in the Form-F-4 under the heading “Annex A—Agreement and Plan of Merger—Closing; the Mergers—Conversion and Cancellation of Shares in the First Merger.”

## **Form 8937, Part II, Box 15:**

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.

Further discussion of material U.S. federal income tax consequences of the Mergers can be found in the Form F-4 under the heading “Material U.S. Federal Income Tax Consequences.”

Consistent with the discussion in the Form F-4, the Mergers were reported as, and Rentokil Initial believes that the Mergers qualified as, a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”) and did not result in gain recognition to the stockholders of Terminix pursuant to Section 367(a)(1) of the Code (assuming that in the case of any such stockholder who would be treated as a “five-percent transferee shareholder” of Rentokil Initial within the meaning of Treasury Regulation section 1.367(a)-3(c)(5)(ii) such stockholder entered into a five-year gain recognition agreement in the form provided in Treasury Regulation section 1.367(a)-8(c) and complied with the requirements of that agreement and Treasury Regulation section 1.367(a)-8 for avoiding the recognition of gain) (the “**Intended Tax Treatment**”). No ruling from the Internal Revenue Service has been requested or is intended to be obtained as to the U.S. federal income tax consequences of the Mergers. The following description assumes the applicability of the Intended Tax Treatment. The effect of the Mergers to a U.S. taxpayer not in a special class of holders subject to special rules as described further in the Form F-4 (“**U.S. holders**”) depends on whether such holder of Terminix common stock received solely cash, solely Rentokil Initial ADSs or a combination of cash and Rentokil Initial ADSs in exchange for such holder's shares of Terminix common stock. A U.S. holder who acquired different blocks of Terminix common stock at different times and at different prices generally must apply the rules described below separately to each identifiable block of shares of Terminix common stock.

### U.S. Holders Receiving Solely Stock

Except as described below with respect to the receipt of cash in lieu of a fractional share of Rentokil Initial ADSs, a U.S. holder who received solely Rentokil Initial ADSs in exchange for shares of Terminix common stock in the Mergers generally should not recognize gain or loss as a result of such exchange. A U.S. holder's aggregate tax basis in the Rentokil Initial ADSs received in exchange for the Terminix common stock surrendered (including the basis allocable to any fractional share of Rentokil Initial ADSs for which cash is received) is equal to the U.S. holder's aggregate tax basis in the shares of Terminix common stock exchanged therefore.

### U.S. Holders Receiving Solely Cash

A U.S. holder of Terminix common stock who received solely cash in exchange for shares of Terminix common stock in the Mergers generally should recognize capital gain

or loss equal to the difference between the amount of cash received by such holder and such holder's tax basis in the shares of Terminix common stock exchanged therefore. Since such holders did not receive any Rentokil Initial ADSs, such holder does not have a new tax basis to compute.

With respect to a U.S. holder that exchanged an identifiable block of Terminix common stock solely for cash, but also exchanged a different identifiable block of Terminix common stock for Rentokil Initial ADSs and cash, the Internal Revenue Service has interpreted Section 356 of the Code in a manner that would not entitle such holder who realized a loss with respect to shares of Terminix common stock exchanged solely for cash to recognize such loss. Such holder should consult the holder's tax advisor with respect to the possibility of recognizing such loss and, if such loss is not recognized, the allocation of any excess basis in such shares of Terminix common stock surrendered to Rentokil Initial ADSs received in the Mergers.

#### U.S. Holders Receiving Rentokil Initial ADSs and Cash

A U.S. holder of Terminix common stock that exchanged its Terminix common stock for a combination of Rentokil Initial ADSs and cash should recognize a taxable gain, but not a loss, equal to the lesser of (i) the amount of cash (excluding cash received in lieu of fractional Rentokil Initial ADSs, if any) received by such U.S. holder in the transaction; and (ii) the excess, if any, of (a) the sum of the amount of cash (excluding cash received in lieu of fractional Rentokil Initial ADSs, if any) plus the fair market value of the Rentokil Initial ADSs (including any fractional Rentokil Initial ADSs deemed received) received by such U.S. holder in exchange for its shares of Terminix common stock in the transaction, over (b) such U.S. holder's tax basis in its shares of Terminix common stock exchanged (see discussion of cash received in lieu of fractional share below).

Generally, such holder's aggregate tax basis in the Rentokil Initial ADSs received by such holder in the Mergers, including the basis allocable to any fractional share of Rentokil Initial ADSs for which cash is received, should equal such holder's aggregate tax basis in the shares of Terminix common stock exchanged therefore, increased by the amount of taxable gain, if any, recognized by such holder of Terminix common stock in the exchange for such shares, and decreased by the amount of cash received by such holder of Terminix common stock in exchange for such shares of Terminix common stock (excluding cash received in lieu of any fractional share of Rentokil Initial ADSs).

#### Fractional Shares

A U.S. holder of Terminix common stock who received cash instead of a fractional share of Rentokil Initial ADSs will generally be treated as having received the fractional share pursuant to the Mergers and then as having sold to Rentokil Initial that fractional share of Rentokil Initial ADSs for cash. As a result, a holder of Terminix common stock will generally recognize gain or loss equal to the difference between the amount of cash received and the tax basis allocated to such fractional share of Rentokil Initial ADSs.

**Form 8937, Part II, Box 16:**

See response to Box 15, above. For purposes of calculating the basis of Rentokil Initial ADSs received in the Mergers, the taxable gain, if any, recognized is determined by reference to the fair market value of Rentokil Initial ADSs and the amount of cash received in the Mergers. Although U.S. federal income tax rules do not specify how to determine fair market value, one possible approach is to use the average of the highest and lowest quoted selling prices (\$27.11 and \$25.975, respectively) of one Rentokil Initial ADS on October 12, 2022 as an indication of the fair market value. Using this approach, the fair market value of each Rentokil Initial ADS received in the Mergers was \$26.5425. Other approaches to determine fair market value may also be possible and a U.S. holder of Terminix common stock should consult its own tax advisor regarding the appropriate method for determining fair market value.

**Form 8937, Part II, Box 17:**

Sections 354, 356, 358, 367(a), 368(a), 368(a)(2)(D) and 1001 of the Code

**Form 8937, Part II, Box 18:**

The Mergers were intended to qualify as a “reorganization” within the meaning of Section 368(a) of the Code. As described in the response to Box 15, if the Mergers are respected as a “reorganization” within the meaning of Section 368(a) of the Code, a U.S. holder of Terminix common stock generally will not recognize any loss upon receipt of Rentokil Initial ADSs in the Mergers, but may recognize loss in the circumstances described in the response to Box 15:

- A U.S. holder of Terminix common stock who received cash in lieu of a fractional share of Rentokil Initial ADSs in the Mergers generally will be treated as having received such fractional share in the Mergers and then as having received cash in redemption of such fractional share and may recognize a taxable loss as a result of such redemption.
- A U.S. holder of Terminix common stock who exchanged Terminix common stock solely for cash may recognize loss, if any, subject to the limitations discussed in Box 15.

The deductibility of capital losses may be subject to limitations.

**Form 8937, Part II, Box 19:**

The Mergers were consummated on October 12, 2022. Consequently, the reportable year for holders of Terminix common stock for reporting the tax effect of the Mergers is the taxable year that includes October 12, 2022.

Former holders of Terminix common stock are urged to consult with their own tax advisors with respect to their individual tax consequences of the Mergers.