

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name <u>Allison Transmission Holdings, Inc.</u>		2 Issuer's employer identification number (EIN) <u>26-0414014</u>	
3 Name of contact for additional information <u>Fred Bohley</u>	4 Telephone No. of contact <u>317-242-3078</u>	5 Email address of contact <u>ir@allisontransmission.com</u>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>One Allison Way</u>		7 City, town, or post office, state, and Zip code of contact <u>Indianapolis, IN 46222</u>	
8 Date of action <u>May 26, 2017</u>		9 Classification and description <u>Distribution to Public</u>	
10 CUSIP number <u>01973R101</u>	11 Serial number(s)	12 Ticker symbol <u>ALSN</u>	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

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 ▶ Allison Transmission Holdings, Inc. paid a quarterly distribution of 15 cents per common share on May 26, 2017 to its shareholders of record on May 22, 2017.

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 ▶ The Company currently estimates that 83.24% of this distribution will be treated as a nontaxable return of capital to the extent of the shareholder's tax basis. Any amount in excess of the shareholder's tax basis will be treated as a capital gain for U.S. tax purposes.

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 ▶ Pursuant to Internal Revenue Code sections 301(c) and 316(a), the taxability of Allison Transmission Holdings, Inc. distributions is calculated based on the earnings and profits of Allison Transmission, Inc. only, and does not include the earnings and profits of Allison's foreign subsidiary companies. Allison Transmission, Inc. estimated 2017 current and accumulated earnings and profits support Allison Transmission Holdings, Inc. disclosure that 83.24% of this distribution is to be a nontaxable return of capital to the extent of the shareholder's tax basis.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code section 301(c) and 316(a)

Multiple horizontal lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ N/A

Multiple horizontal lines for providing information regarding resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ NONE

Multiple horizontal lines for providing other information necessary to implement the adjustment.

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 ▶ Peter B. Blackadar

Date ▶ 07/17/17

Print your name ▶ Peter B. Blackadar

Title ▶ Executive Director & Corporate Controller

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check if self-employed

PTIN

Firm's name ▶