

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Allison Transmission Holdings, Inc.		26-0414014	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Raymond Posadas	317-242-3078	ir@allisontransmission.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
One Allison Way		Indianapolis, IN 46222	
8 Date of action		9 Classification and description	
November 30, 2018		Distribution to Public	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
01973R101		ALSN	

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 November 30, 2018 to its shareholders of record on November 19, 2018.

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 27.25% 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.'s estimated 2018 current and accumulated earnings and profits support Allison Transmission Holdings, Inc. disclosure that 27.25% 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 sections 301(c) and 316(a)

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

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

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 ▶  Date ▶ 1-15-19

Print your name ▶ Ryan J. Dean Title ▶ Managing Director, Financial & Tax Reporting

Paid Preparer Use Only	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.