



## **Meritor, Inc. Provides Notice of Fundamental Change to Holders of its Convertible Notes in Connection with the Completed Merger**

August 3, 2022

TROY, Mich., Aug. 3, 2022 /PRNewswire/ -- Meritor, Inc. (the "Company") today provided notice that, pursuant to the terms of the indenture, dated September 22, 2017 (the "Indenture") governing its 3.25% Convertible Senior Notes due 2037 (the "Notes"), in connection with the closing of the transaction contemplated by the Agreement and Plan of Merger, dated as of February 21, 2022 (the "Merger Agreement"), among Cummins, Inc., Rose Newco, Inc. and the Company, the Company delivered a Notice of Fundamental Change and Execution of Supplemental Indenture (the "Fundamental Change Notice") to holders of the Notes notifying holders that a Fundamental Change, as such term is defined in the Indenture, had occurred on August 3, 2022 and that the Company entered into a supplemental indenture with respect to the Indenture pursuant to which the right to convert each \$1,000 principal amount of Notes has been changed into the right to convert such principal amount into an amount of cash equal to the Conversion Rate (as defined in the Indenture) in effect on the conversion date, multiplied by \$36.50.

### **Notice of Fundamental Change**

In connection with such Fundamental Change, each holder of Notes will have the right at such holder's option to require the Company to repurchase all of such holder's Notes (or a portion thereof which is \$1,000 in principal amount or any integral multiple thereof), on September 14, 2022 (the "Fundamental Change Repurchase Date"). The Company will be required to repurchase all of such holder's Notes at a price, payable in cash, equal to one hundred percent (100%) of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest thereon, if any, to, but excluding the Fundamental Change Repurchase Date (the "Repurchase Price").

Holders of Notes should read carefully the Fundamental Change Notice, regarding their conversion rights in connection with the Fundamental Change and the rights of holders to require the Company to repurchase their Notes in connection with the Fundamental Change as it contains important information as to the procedures and timing for the exercise of such rights.

### **Notice of Make-Whole Fundamental Change and Adjustment to Conversion Rate upon Conversion in connection with a Make-Whole Fundamental Change**

In connection with the closing of the transaction contemplated by the Merger Agreement, a Make-Whole Fundamental Change under the Indenture occurred on August 3, 2022. Pursuant to the Indenture, if a holder surrenders its Notes for the conversion during the period from and including the effective date of the Merger and ending on September 13, 2022, the day immediately prior to the Fundamental Change Repurchase Date (such period, the "Make-Whole Period"), the Company will increase the conversion rate for the Notes surrendered for conversion during such period in accordance with the Indenture as set forth below.

As more fully described in the Fundamental Change Notice and pursuant to the First Supplemental Indenture dated August 3, 2022, by and between the Company and the Trustee, to the Indenture, the consideration due upon conversion of the Notes will be an amount of cash equal to:

(i) 1,110.03 per \$1,000 principal amount of Notes based on a Conversion Rate of 30.4119, in the case of a holder that elects to convert its Notes, in accordance with the Indenture, at any time during the Make-Whole Period, and (ii) \$914.23 per \$1,000 principal amount of Notes based on Conversion Rate of 25.0474 in the case of a Holder that elects to convert its Notes, in accordance with the Indenture, other than during the Make-Whole Period.

Holders who wish to convert their Notes must satisfy the requirements set forth in the Indenture. Except as set forth above, the Conversion Rate will not be subject to further adjustment.

### **Holders who fail to validly convert their Notes during the Make-Whole Period will not be entitled to receive the Additional Shares (as defined in the Indenture).**

The Trustee for the Notes is U.S. Bank Trust Company, National Association. For questions or assistance related to the Notes, contact U.S. Bank Trust Company, National Association at 1-800-934-6802 or [cts.specfinance@usbank.com](mailto:cts.specfinance@usbank.com).



# MERITOR<sup>®</sup>

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SOURCE Meritor, Inc.

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