

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)	
Air T, Inc. and Subsidiaries		52-1206400	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Tracy Nguyen	828-464-8741	tnquyen@airt.net	
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	
5930 Balsom Ridge Road		Denver, NC 28037	
8 Date of action		9 Classification and description	
June 10, 2019		Three-for-Two Common Stock Split	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
009207101		AIRT	

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 ▶ On May 29, 2019, Air T, Inc. and Subsidiaries approved a three-for-two stock split which would result in a distribution of one and half additional shares of common stock for each share held. This distribution applied to shareholders of record on June 4, 2019. The additional shares were distributed to those shareholders on June 10, 2019.

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 tax basis of each share following the stock distribution on June 10, 2019 is 67% of the pre-distribution basis of that share. The remaining 33% of the tax basis for each share was allocated to each new share that was distributed with respect to existing shares. As a result, the number of shares held by each shareholder increased by 50% and each shareholder's total basis and proportionate interest in the company remained the same.

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 ▶ The three-for-two stock split resulted in a 50% increase in the number of shares. The record date for the split was June 4, 2019, and the distribution date occurred on June 10, 2019. The data that supports this calculation is each shareholder's basis immediately before the distribution and the number of shares issued in the distribution. Put another way, each shareholder's stock basis should be divided by 150% to determine the new 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 ▶ IRC sections 305(a) and 307(a). The distribution is not taxable to shareholders pursuant to section 305(a) which states that distributions of a corporation's own stock made with respect to its stock are not taxable to the shareholder. Under section 307(a), each shareholder's basis in his or her old stock must be allocated between the old stock and the new stock that was distributed in the stock split.

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 ▶ _____

Reportable tax year = 2019

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 ▶ [Signature] Date ▶ 9/9/19

Print your name ▶ Brian Ochvelo Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Richard Battle	<u>[Signature]</u>	09-06-19		P00455192
	Firm's name ▶ Elliott Davis, LLC/PLLC			Firm's EIN ▶	57-0381582
	Firm's address ▶ 500 East Morehead St, Suite 700, Charlotte, NC 28202			Phone no.	704-333-8881

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054