

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

Multiple horizontal lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See Attachment

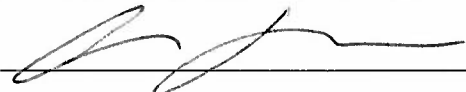
Multiple horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment

Multiple horizontal lines for providing other necessary information.

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 ▶ 10/10/2016

Print your name ▶ **Charles G. Stinner**

Title ▶ **Vice President - Tax**

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.	

Air Products and Chemicals, Inc.
Distribution of Versum Materials, Inc. Common Stock
Attachment to Form 8937

PART II ORGANIZATIONAL ACTION

Line 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 October 1, 2016, Air Products and Chemicals, Inc. ("Air Products") completed the spin-off of Versum Materials, Inc. ("Versum") (the "Spin-off"). Each shareholder of Air Products common stock received one (1) share of Versum common stock for each two (2) shares of Air Products common stock (except for fractional shares of Versum common stock, which were settled in cash).

THE INFORMATION SET FORTH HEREIN IS FOR GENERAL INFORMATION PURPOSES ONLY AND DOES NOT PURPORT TO ADDRESS ALL ASPECTS OF FEDERAL TAXATION THAT MAY BE RELEVANT TO PARTICULAR SHAREHOLDERS. THIS INFORMATION DOES NOT CONSTITUTE TAX ADVICE AND MAY NOT BE APPLICABLE TO SHAREHOLDERS WHO ARE NOT CITIZENS OR RESIDENTS OF THE UNITED STATES, NOR DOES IT ADDRESS TAX CONSEQUENCES WHICH MAY VARY WITH YOUR INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, YOU ARE URGED TO CONSULT YOUR TAX ADVISORS TO DETERMINE THE APPLICATION OF THE INFORMATION SET FORTH HEREIN TO YOUR INDIVIDUAL CIRCUMSTANCES AND THE PARTICULAR FEDERAL, FOREIGN, STATE AND LOCAL TAX CONSEQUENCES OF THE SPIN-OFF TO YOU.

Line 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.

Air Products shareholders should allocate their aggregate tax basis in their Air Products common stock owned immediately before the Spin-off between Air Products common stock and the shares of Versum common stock received in the Spin-off (including any fractional share for which cash was received). The allocation should be based on the relative fair market values of the Air Products common stock and the Versum common stock immediately after Spin-off.

If Air Products common stock was acquired at different times and at different prices, you will need to calculate a separate tax basis for each block of Air Products common stock you own and then allocate the basis in each block of stock separately to the Versum common stock you received.

Line 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 U.S. federal income tax laws provide that the allocation of the aggregate tax basis discussed under Line 15 above shall be allocated based on the fair market value of the resulting Air Products and Versum shares received. However, the tax law does not provide any further guidance on the determination of fair market value. One approach

to determine the fair market value is to use the Volume-Weighted Average Price (“VWAP”) of the Air Products and Versum common stock on the first trading day following the Spin-off. On October 3, 2016 (first trading day following Spin-off) the fair market value of a share of Air Products common stock was \$140.38 and the fair market value of a share of Versum common stock was \$26.34. Based on the one (1) to two (2) distribution ratio, \$13.17 of Versum common stock would be received for each share of Air Products common stock owned. Based on these relative fair market values, the tax basis in the Air Products common stock would be apportioned 91.42% to your Air Products common stock and 8.58% to your Versum common stock.

This calculation may be illustrated as follows:

- Assume you own a single block of 100 shares of Air Products common stock with a tax basis of \$50 per share (and a total tax basis of \$5,000).
- You are entitled to receive 50 shares of Versum common stock in the Spin-off.
- Your total tax basis in your Air Products common stock is allocated \$4,571.00 to the Air Products common stock (91.42% of \$5,000), or \$45.71 per share (i.e., \$4,571.00, divided by 100 shares), and \$429.00 to the Versum common stock (8.58% of \$5,000), or \$8.58 per share (i.e., \$429.00, divided by 50 shares).

	Shares Owned	Assumed Beginning Basis (A)	Percentage of FMV (B)	Allocated Tax Basis = (A) * (B)	Allocated Tax Basis Per Share
Air Products	100	\$5,000.00	91.42%	\$4,571.00	\$45.71
Versum	50		8.58%	\$ 429.00	\$ 8.58
<i>Total</i>			100%	\$5,000.00	

Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

The applicable Internal Revenue Code sections upon which the tax treatment is based are sections 355, 354(a), 358(a)(1), 358(b), 358(c), 361, and 368(a)(1)(D).

Line 18. Can any resulting loss be recognized?

As Air Products expects the Spin-off to qualify as a reorganization within the meaning of sections 368(a)(1)(D) and 355 of the Internal Revenue Code of 1986, as amended, Air Products shareholders generally will not recognize any loss for U.S. federal income tax purposes upon receipt of the Versum common stock in the Spin-off (except to the extent that a loss may be recognized with respect to any cash received in lieu of fractional shares of Versum common stock).

Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Spin-off occurred on October 1, 2016. As a result, the basis adjustments in the shares of Air Products common stock and Versum common stock should be reported in the taxable year that includes this date. In the case of shareholders who are calendar year taxpayers, the Distribution is reportable in the tax year ending December 31, 2016.