



AIRCASTLE ADVISOR LLC
201 Tresser Boulevard
Suite 400
STAMFORD, CT 06901
TEL 203-504-1020

March 31, 2021

Attention: Former U.S. Shareholders of Aircastle Limited

IMPORTANT TAX NOTICE

Re: 2020 PFIC Status

This statement is provided for former shareholders who are United States persons for purposes of the U.S. Internal Revenue Code who held shares in Aircastle Limited (“AYR” or the “Company”) during the 2020 calendar year. It is not relevant to other former shareholders.

Overview

Aircastle Limited (“AYR” or “the Company”) and its wholly-owned subsidiary AYR Bermuda Limited (“AYR Bermuda”) meet the Internal Revenue Code definition of a passive foreign investment company (“PFIC”) for the taxable year ended December 31, 2020. The Company is hereby making available PFIC Annual Information Statements for both AYR and AYR Bermuda for their taxable years beginning on January 1, 2020 and ending on December 31, 2020 pursuant to the requirements of Treasury Regulation Section 1.1295-1(g)(1). **If you were a shareholder of AYR during 2020 you also are deemed to have indirectly owned shares in AYR Bermuda during 2020.**

The PFIC Annual Information Statements contain information to enable you, to comply with any Qualified Electing Fund (“QEF”) elections.

A former U.S. shareholder who made a QEF election for AYR and AYR Bermuda is required annually to include in his or her income his or her pro rata share of the ordinary earnings and net capital gains for both AYR and AYR Bermuda, including for the taxable year in which AYR shares were disposed.

U.S. shareholders are advised to consult with their tax advisors with respect to the 2020 PFIC Annual Information Statement.

Further information on PFIC rules is available on the internet at the Internal Revenue Service website, including the following pages:

Detailed information about PFICs and the QEF election: www.irs.gov/instructions/i8621/ch01.html

Instructions to complete Form 8621: www.irs.gov/pub/irs-pdf/i8621.pdf

Form 8621: www.irs.gov/pub/irs-pdf/f8621.pdf

Merger

On March 27, 2020, AYR completed its merger (the “Merger”) with MM Air Merger Sub Limited, a Bermuda exempted company (“Merger Sub”), pursuant to the Agreement and Plan of Merger, dated as of November 5, 2019, by and among AYR, MM Air Limited, a Bermuda exempted company, and Merger Sub. As a result of the Merger, AYR’s shareholders (other than Marubeni Corporation and its affiliates) received cash consideration of \$32.00 per common share, and AYR is now controlled by affiliates of Marubeni Corporation and Mizuho Leasing Company, Limited. See pages 53-55 of the definitive proxy statement filed with the SEC on January 23, 2020 for a discussion of the U.S. federal income tax consequences of the Merger.



THIS INFORMATION IS PROVIDED IN ORDER TO ASSIST AYR's FORMER U.S. SHAREHOLDERS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. FORMER SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE OVERALL TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF AIRCASTLE LIMITED SHARES ARISING IN THEIR OWN PARTICULAR SITUATIONS UNDER THE UNITED STATES FEDERAL, STATE, LOCAL OR FOREIGN LAW.



**PFIC Annual Information Statement
Aircastle Limited - FEIN 98-0444035**

- (1) This Information Statement applies to the taxable year of Aircastle Limited (“AYR”) beginning on January 1, 2020 and ending on December 31, 2020 (the “Taxable Year”).
- (2) (i) Your pro rata share of AYR’s ordinary earnings for the Taxable Year is 0.
(ii) Your pro rata share of AYR’s net capital gain for the Taxable Year is 0.

Former U.S. shareholders are advised to consult with their tax advisors with respect to the calculation of their pro rata share of AYR’s ordinary earnings and net short term and long-term capital gain for the Taxable Year.

- (3) The amount of cash and the fair market value of other property distributed or deemed distributed by AYR during the Taxable Year are as follows:

Cash:

<u>Payment Date</u>	<u>Record Date</u>	<u>Per Share Distributions</u>
March 6, 2020	February 28, 2020	US\$ 0.32

Fair Market Value of Property: US \$0.00

- (4) The Summary of Annual Information of AYR is as follows:
 - (i) Description of each class of shares – **common shares**.
 - (ii) No shares were held at year end ***by any U.S. shareholders***.
 - (iii) Total value of shares at December 31, 2020 – **US\$ 0.00 per share**.
- (5) Any former shareholders who have made a QEF election will be permitted by AYR to inspect and copy its permanent books of account, records, and such other documents as are maintained by AYR that are necessary to establish that AYR’s ordinary earnings and net capital gain, as provided in section 1293(e) of the U.S. Internal Revenue Code, are computed in accordance with U.S. income tax principles, and to verify these amounts and your pro rata share thereof.

Aircastle Limited

Date: March 31, 2021

By: Robert Crisafulli
Authorized Representative

**PFIC Annual Information Statement
 AYR Bermuda Limited - FEIN 98-0565732**

(1) This Information Statement applies to the taxable year of AYR Bermuda Limited (“AYR Bermuda”) beginning on January 1, 2020 and ending on December 31, 2020 (the “Taxable Year”).

(2) (i) Your pro rata share of AYR Bermuda’s ordinary earnings for the Taxable Year can be determined as follows:

	Total Annual Earnings	Per Common Share
Ordinary Earnings	US\$ 1,411,857	US\$ 0.018605

(b) Your daily pro rata share of AYR Bermuda ordinary earnings is:

Holding Period	Daily Per Common Share
January 1 – December 31, 2020	US\$ 0.000051

(c) If you owned a different number of AYR shares at different times during 2020 until the closing of the Merger, calculate the daily per common share amount separately for each lot of AYR shares that were owned for each holding period and include the total amounts yielded from those calculations on Form 8621.

Investors may use the following example as a guide to calculate their pro rata share of AYR Bermuda’s ordinary earnings to be included on Form 8621:

EXAMPLE: Holding period is January 1 – March 27, 2020	
Number of AYR common shares held (A)	10,000
Number of days the AYR common shares were held during the Holding Period (B)	86
Daily Per Common Share during the Holding Period (C)	US\$ 0.000051
Daily pro rata share (A) x (B) x (C)	US\$ 43.86

(ii) Your pro rata share of AYR Bermuda’s net capital gain for the Taxable Year is 0.

Former U.S. shareholders are advised to consult with their tax advisors with respect to the calculation of their pro rata share of AYR Bermuda’s ordinary earnings and net short term and long-term capital gain for the Taxable Year.

(3) The amount of cash and the fair market value of other property distributed or deemed distributed by AYR Bermuda during the Taxable Year are as follows:

Cash:	US \$0.00
Fair Market Value of Property:	US \$0.00



- (4) The Summary of Annual Information of AYR Bermuda is as follows:
- (i) Description of each class of shares – **common shares**.
 - (ii) No shares were held at year end *by any U.S. shareholders*.
 - (iii) Total value of shares at December 31, 2020 – **US\$ 0.00 per share**.
- (5) Any former AYR shareholders who have made a QEF election will be permitted by AYR Bermuda to inspect and copy its permanent books of account, records, and such other documents as are maintained by AYR Bermuda that are necessary to establish that AYR Bermuda's ordinary earnings and net capital gain, as provided in section 1293(e) of the U.S. Internal Revenue Code, are computed in accordance with U.S. income tax principles, and to verify these amounts and your pro rata share thereof.

AYR Bermuda Limited

Date: March 31, 2021

By: Robert Crisafulli
Authorized Representative