

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>COVANTA HOLDING CORPORATION</b>		2 Issuer's employer identification number (EIN) <b>95-6021257</b>	
3 Name of contact for additional information <b>PAOLA TADDEO</b>		4 Telephone No. of contact <b>862-345-5000</b>	5 Email address of contact <b>PTADDEO@COVANTA.COM</b>
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>445 SOUTH STREET</b>		7 City, town, or post office, state, and Zip code of contact <b>MORRISTOWN, NJ 07960</b>	
8 Date of action <b>1/3/14; 4/2/14; 7/2/14; 10/6/14</b>		9 Classification and description <b>COMMON STOCK</b>	
10 CUSIP number <b>22282E102</b>	11 Serial number(s) <b>N/A</b>	12 Ticker symbol <b>CVA</b>	13 Account number(s) <b>N/A</b>

**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 ▶ During 2014 Covanta Holding Corporation ("CVA") made four cash distributions (payable on January 3, April 2, July 2, and October 6) in the per share amounts of \$0.1650, 0.1800, \$0.1800, and \$0.2500 totalling \$0.7750 per share.

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 above cash distributions are treated as taxable dividends to the extent of the Company's current and accumulated earnings and profits as of the period ending on December 31, 2014. The portion of the 2014 cash distributions that are not taxable dividends shall be applied against the basis of the stock. The portion of the distribution that is a return of capital and not a dividend is \$0.134579. Accordingly, the basis of each share of stock held by each shareholder shall be reduced by \$0.134579.

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 portion of the distribution that is not classified as a dividend represents distributions that are in excess of the current and accumulated earnings and profits that have been calculated based on 2014 and prior years.

**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 §301, §312, and §316 and supporting regulations.

**18** Can any resulting loss be recognized? ▶ No loss should be recognized with respect to the portion of the distribution that represents a return of capital.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ No additional information is necessary at this time. However, the return of capital calculated in item 15 above is an estimate based on the most accurate available information at the time of the public reporting of this form. Covanta Holding Corporation will report an updated Form 8937 if it determines that the amount of the distribution treated as a return of capital with respect to each share of stock changes. It is likely that updated information will be available when the 2014 Federal Income Tax return has been finalized at which time an updated Form 8937 may be filed. The above information does not constitute tax advice. It is recommended that shareholders consult with their own legal, financial, or tax advisors to consider the consequences of reporting amounts that may be revised at a later date.

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 ▶

2-12-15

Print your name ▶ Paola Taddeo

Title ▶ Vice President Tax

**Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check  if self-employed PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.