

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Titan Medical Inc.		2 Issuer's employer identification number (EIN) 89-0663504	
3 Name of contact for additional information Stephen Randall	4 Telephone No. of contact (416) 548-7522	5 Email address of contact stephen@titanmedicalinc.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 170 University Avenue, Suite 1000		7 City, town, or post office, state, and ZIP code of contact Toronto, Ontario M5H 3B3 Canada	
8 Date of action June 19, 2018		9 Classification and description Common Shares	
10 CUSIP number 88830X819	11 Serial number(s) N/A	12 Ticker symbol TSX: TMD; NASDAQ: TMDI	13 Account number(s) N/A

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 June 19, 2018, a 1-for-30 share consolidation was effected with respect to the common shares of Titan Medical Inc. ("Titan"), pursuant to which each thirty pre-consolidation shares of Titan common stock outstanding were automatically combined into one new share of Titan common stock without any action on the part of any shareholder. No fractional shares were issued in connection with the 1-for-30 share consolidation, with shareholders entitled to receive a fractional share of common stock receiving the nearest whole number of shares of Titan common stock, rounding up if the fractional share was equal to, or greater than, 0.5 and otherwise rounding down.

The share consolidation is described in further detail in the Titan press release dated as of June 19, 2018, which is available at www.sedar.com.

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 ▶ A shareholder will determine its tax basis in each share of Titan common stock held after the 1-for-30 share consolidation by allocating such shareholder's aggregate tax basis in its shares of Titan common stock held immediately after the share consolidation. Specifically, a shareholder's tax basis in each post-1-for-30 share consolidation share of common stock will be determined by multiplying the tax basis in each one (1) share of Titan common stock held before the 1-for-30 share consolidation by thirty (30). Any shareholder that does not receive a fractional share (with such fractional share being rounded down) would add to such tax basis the proportionate amount of any tax basis that would have otherwise been allocated to such fractional share.

While the "per share" tax basis is impacted, the aggregate tax basis of the shareholder's total investment in Titan remains unchanged.

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 ▶ A shareholder's per share tax basis in each newly acquired share of Titan common stock is 3000% of that shareholder's per share tax basis immediately prior to the 1-for-30 share consolidation, plus the proportionate amount of any tax basis that would otherwise have been allocated to a fractional share if such fractional share had been received. For example, if a shareholder's per share tax basis was \$1.00 before the 1-for-30 share consolidation, the per share tax basis will generally be \$30.00 immediately after the 1-for-30 share consolidation, plus the proportionate amount of any tax basis that would otherwise have been allocated to a fractional share if such fractional share had been received.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Titan believes that the 1-for-30 share consolidation should qualify as a recapitalization within the meaning of Code Section 368(a)(1)(E). Consequently, the U.S. federal income tax consequences of the 1-for-30 share consolidation for Titan shareholders should be determined under Code Sections 368(a), 354(a) and 358(a).

18 Can any resulting loss be recognized? ▶ Since the share consolidation should qualify as a recapitalization within the meaning of Code Section 368(a), each Titan shareholder should not recognize any loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ In general, any gain or loss recognized should be reported by shareholders for the tax year which includes June 19, 2018 (e.g., a calendar year shareholder would report the 1-for-30 share consolidation on his or her federal income tax return filed for the 2018 calendar year).

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 ▶ Stephen Randall Date ▶ July 26, 2018
 Print your name ▶ Stephen Randall Title ▶ CFD

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>John Hollinrake</u>	<u>John Hollinrake</u>	<u>26 July 2018</u>		<u>P01568530</u>
	Firm's name ▶ <u>Dorsey & Whitney LLP</u>	Firm's address ▶ <u>Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, WA 98104</u>		Firm's EIN ▶	<u>41-0223337</u>
				Phone no.	<u>(206) 903-8812</u>

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