

VMWARE, INC.

AUDIT COMMITTEE CHARTER

As amended on December 12, 2018

I. PURPOSE

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of VMware, Inc. (the “**Company**”) is appointed by the Board to assist Board oversight of (1) the integrity of the Company’s financial statements, (2) the Company’s compliance with legal, ethical and regulatory requirements, (3) the qualifications and independence of the Company’s registered public accounting firm (the “**independent auditors**”), (4) the performance of the Company’s internal audit function and independent auditor, and (5) the Company’s processes to manage financial risk.

In order to serve these functions, the Committee has direct access to Company personnel and documents and has authority to conduct any investigation into any matters appropriate to fulfilling its responsibilities. The independent auditors report directly to the Committee. The Committee has the sole authority to retain and terminate (or obtain the advice of) outside legal, accounting or other advisers, consultants or experts of its choice that it deems necessary or appropriate in the performance of its duties. The Committee is directly responsible for the appointment, compensation and oversight of the work of any outside adviser retained by the Committee and has the sole authority to approve the adviser’s fees and the other terms and conditions of the adviser’s retention. The Company shall provide appropriate funding to the Committee, as determined by the Committee, for payment of (1) compensation to the independent auditors for services approved by the Committee, (2) compensation to any outside advisers retained by the Committee, and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

While the Committee has the responsibilities and powers set forth in this Charter, the Committee’s responsibility is one of oversight only and does not relieve the Company’s management of its responsibilities for preparing financial statements that accurately and fairly present the Company’s financial results and condition, or the responsibilities of the independent accountants relating to the audit or review of financial statements. Nor is it the duty of the Committee to assure compliance with laws and regulations or the Company’s Business Conduct Guidelines.

While this Charter should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company’s Certificate of Incorporation and Bylaws, it is not intended to establish by its own force any legally binding obligations.

II. MEMBERSHIP

The Committee will consist of at least three members of the Board. Each member

of the Committee must meet the independence and experience requirements of the New York Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”) and the rules and regulations of the Securities and Exchange Commission (“SEC”). In addition, each Committee member must be financially literate, as determined by the Board, and at least one Committee member must be an “audit committee financial expert,” as determined by the Board in accordance with SEC rules.

The Board will designate one member of the Committee as Chairperson. No member of the Committee may be removed except by a majority vote of the Board.

III. RESPONSIBILITIES

The principal responsibilities and duties of the Committee in serving the purposes outlined in Section I of this Charter are set forth below. These duties are set forth as a guide, with the understanding that the Committee may establish policies and procedures and may perform other activities that are consistent with this Charter, the Company’s Bylaws and governing law from time to time that it deems necessary or advisable in fulfilling its responsibilities.

1. Responsibilities Relating to Independent Auditors

- a. The Committee has the sole authority and responsibility to select and retain (and submit for ratification by the Company’s stockholders), evaluate and if necessary replace the independent auditors. The Committee has the authority and responsibility to determine the compensation of, and oversee the performance of, the independent auditors and to resolve any disagreements between management and the independent auditors regarding financial reporting.
- b. The Committee shall at least annually receive and review: (a) a report by the independent auditors describing: the firm’s internal quality control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (b) other required reports from the independent auditors.
- c. The Committee shall review and discuss with independent auditors the continuing independence of the independent auditors, including obtaining and reviewing, on at least an annual basis, a report from the independent auditors delineating all relationships between the independent auditors and the Company and its affiliates that may reasonably be thought to bear on the auditors’ independence pursuant to applicable requirements of the Public Company Accounting Oversight Board.
- d. The Committee shall establish a policy regarding the hiring by the Company of current and former employees of its independent auditors.

- e. The Committee shall review the general scope and plan for the independent auditors' annual audit.
- f. The Committee shall pre-approve all permissible non-audit services and all audit, review or attest engagements required under the securities laws (including the fees and terms thereof) to be performed for the Company by its independent auditors; provided, however, that de-minimis non-audit services may instead be approved in accordance with applicable SEC rules. The Committee may delegate to the Chair of the Committee or to a subcommittee the authority to grant pre-approvals of audit and permissible non-audit services, so long as the decisions of such Chair or subcommittee are presented to the full Committee at its next scheduled meeting.
- g. The Committee shall discuss with the independent auditors and the Company's financial management the results of the annual audit, including comments or recommendations of the independent auditors.
- h. The Committee shall meet periodically with the Company's independent auditors, without members of management present.

2. Responsibilities Relating to the Internal Audit Department

- a. The Committee shall review and approve the appointment and replacement of the head of the Internal Audit Department, who will report directly to the Committee. The Committee shall review and discuss with management the Internal Audit Department performance, staffing, budget and responsibilities, including compensation for the head of the Internal Audit Department, and any recommended changes thereto.

The Committee shall annually review the Company's Internal Audit Department, including the proposed audit plans for the coming year, and assess the department's independence from management.

- b. The Committee shall review significant reports prepared by the Internal Audit Department and management's responses.
- c. The Committee shall meet periodically with the head of the Internal Audit Department, without members of management present.

3. Financial Reporting

- a. In consultation with management, the independent auditors and the Internal Audit Department, the Committee shall consider the integrity of the accounting and financial reporting processes and controls of the Company. This consideration shall encompass (1) meeting periodically with the independent auditors, the internal auditors, and financial and accounting personnel to discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures; and (2) reviewing significant findings prepared by the independent auditors and the

internal auditors, together with management's responses.

- b. The Committee shall meet and review and discuss with management and the independent auditor the quarterly and annual financial statements, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in quarterly and annual reports. This review shall include a discussion of the matters required to be addressed by Public Company Accounting Oversight Board (United States) Auditing Standard 1301 ("AS 1301"), as amended, including (1) discussions with management and the independent auditors concerning any significant issues regarding accounting principles, practices and judgments (including any changes in accounting principles), and (2) discussions with the independent auditors' concerning their judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- c. In connection with the Committee's review of the quarterly and annual financial statements, the Committee shall discuss with management and the independent auditors the Company's selection, application and disclosure of critical accounting policies (including an analysis of the effect of alternative GAAP methods), the use of non-GAAP financial metrics as a measure of the Company's financial performance, any significant changes in the Company's accounting policies and any proposed changes in accounting or financial reporting, as well as off-balance sheet structures, that may have a significant impact on the Company and the auditors' evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties. In addition, the Committee shall review with the independent auditors the reports and other material written communications between the independent auditors and management on such subjects delivered pursuant to Section 10A(k) of the Exchange Act and the rules and regulations promulgated thereunder by the SEC.
- d. The Committee shall discuss with management the Company's earnings press releases as well as financial information and earnings guidance provided to analysts and rating agencies; provided, however, that such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).
- e. The Committee shall recommend to the Board whether the annual financial statements should be included in the Annual Report on Form 10-K, based on (1) the Committee's review and discussion with management of the annual financial statements, (2) the Committee's discussion with the independent auditors of the matters required to be discussed by AS 1301, as amended, including, any problems or difficulties the auditor may have encountered in the course of the audit work and management's response and any restrictions on the scope of activities or access to requested information, and any significant disagreements with management, and (3) the Committee's review and discussion with the independent auditors of the independent auditors'

independence and the related written disclosures and letter from the independent auditors.

- f. The Committee, from time to time, shall receive, review and discuss reports from the independent auditors and the Internal Audit Department regarding the adequacy and effectiveness of, the Company's internal controls, including any significant deficiencies in internal controls and significant changes in internal controls reported to the Committee. The Committee shall also review disclosures made to the Committee by the Company's chief executive officer and chief financial officer during their certification process for the Annual Report on Form 10-K and Quarterly Reports on Form 10-Q about any significant deficiencies and material weaknesses in the design or operation of the Company's internal control over financial reporting and any reported fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.
- g. The Committee shall meet periodically with management, without the independent auditors or the head of the Internal Audit Department present.

4. Other Responsibilities

- a. The Committee shall establish and oversee procedures for receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and for employees to make confidential, anonymous complaints regarding questionable accounting or auditing matters.
- b. The Committee shall review and approve the appointment and replacement of a Chief Ethics and Compliance Officer, who will oversee the Company's compliance program with respect to legal, ethical and regulatory requirements, including the Company's Business Conduct Guidelines. The Chief Ethics and Compliance Officer will provide regular periodic reports to the Committee on ethics and compliance matters and will notify the Committee Chair as soon as practicable of significant ethics and compliance matters and concerns as they arise. The Committee shall review periodically the Company's policies and procedures for monitoring compliance. The Committee shall meet annually with the Chief Ethics and Compliance Officer without management present and assess the Chief Ethics and Compliance Officer's functional independence from management. The Committee shall review and discuss with management the compliance department performance, staffing, budget and responsibilities, including compensation for the Chief Ethics and Compliance Officer, and any recommended changes thereto.
- c. The Committee shall review the significant cybersecurity matters and concerns involving the Company, including information security, data privacy and related regulatory matters and compliance. The Committee shall review and approve the appointment and replacement of a Chief Information Security Officer, who will oversee the Company's information security. The Chief Information Security Officer will provide regular periodic reports to the Committee on information security matters and will notify the Committee

Chair as soon as practicable of significant information security matters and concerns as they arise. The Committee shall review and discuss with management the information security department performance, staffing, budget and responsibilities, including compensation for the Chief Information Security Officer, and any recommended changes thereto. The Legal department will provide reports to the Committee as needed on compliance with cybersecurity regulations, including data privacy and coordinate with the Chief Information Officer to notify the Committee of the Company's responses to significant cybersecurity matters as soon as practicable.

- d. The Committee shall annually prepare a report to the Company's stockholders for inclusion in the Company's annual proxy statement as required by the rules and regulations of the SEC, as they may be amended from time to time.
- e. The Committee shall review and assess the adequacy of this Charter at least annually and recommend any proposed changes to the Board.
- f. The Committee shall participate in annual evaluations of its performance with the Compensation and Corporate Governance Committee.
- g. The Committee shall review with the Company's General Counsel legal matters that may have a material impact on the Company's financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
- h. The Committee shall periodically review and approve the Company's treasury resolutions and matters pertaining to the Company's investment practices for cash management, foreign exchange, investments and derivatives.
- i. The Committee shall periodically review and discuss the Company's practices and policies with respect to risk assessment and risk management and meet periodically with management to discuss the Company's significant risk exposures and the steps management has taken to monitor, control and mitigate such exposures.
- j. The Committee shall fulfill such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board, or as may be required by law or regulation.
- k. The Committee may perform any other activities that are consistent with this Charter, the Company's Bylaws and governing laws, as the Committee or the Board deems necessary or appropriate, including without limitation the approval of financial matters that may be delegated by the Board from time to time.

IV. OTHER MATTERS

- 1. Meetings of the Committee will be held at least quarterly, and more often as necessary, as determined by the Committee.

2. The Committee may fix its own rules of procedure, which must be consistent with the Bylaws of the Company and this Charter. The Committee may form and delegate authority to subcommittees (consisting of one or more persons) or officers of the Company when appropriate and within the scope permitted by applicable statutes, regulations, listing requirements and the Company's Bylaws.
3. The Committee shall regularly report to the Board on its activities.
4. Any action taken by the Committee will be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.