**Report of Organizational Actions Affecting Basis of Securities**

**Part I - Reporting Issuer**

1. Issuer's name: VMware, Inc.
2. Issuer's employer identification number (EIN): 94-3292913
3. Name of contact for additional information: Manager
4. Telephone No. of contact: 550-427-8670
5. Email address of contact: ir@vmware.com
6. Number and street (or P.O. box if mail is not delivered to street address) of contact: 3401 Hillview Avenue, Palo Alto, CA 94304
7. City, town, or post office, state, and ZIP code of contact: Palo Alto, CA 94304
8. Date of action: December 28, 2018

**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 December 28, 2018, the issuer made a cash distribution to its common shareholder. The cash distribution to shareholders are currently expected to exceed current and accumulated earnings and profits of the issuer.

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 issuer is expecting to exhaust all current and accumulated earnings and profits. The distribution, as described above, 62.04% will be treated as a taxable dividend and 37.96% will be treated as return of basis. Generally, the portion of the distribution on common stock that is treated as a return of basis will reduce shareholder basis to the extent thereof. To the extent that any distribution exceeds shareholder basis, such excess will be capital gain to the shareholder.

The tax basis of the shareholder's shares is decreased by the per share amount of the non-taxable return of basis, provided below in #16, multiplied by the number of shares the shareholder owns.

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: As described above, the issuer has determined that of such distributions above, 62.04% will be treated as a taxable dividend and 37.96% will be treated as a return of basis to the extent thereof.

<table>
<thead>
<tr>
<th>Record Date</th>
<th>Payment Date</th>
<th>Common Share Distribution</th>
<th>Taxable Dividend</th>
<th>Non-Taxable Return of Basis</th>
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DISTRIBUTIONS TO SHAREHOLDERS SHALL BE REPORTED AS DIVIDENDS TO THE EXTENT OF THE CORPORATION'S EARNINGS AND PROFITS IN ACCORDANCE WITH SECTION 316. TO THE EXTENT DISTRIBUTIONS EXCEED CURRENT AND ACCUMULATED EARNINGS AND PROFITS UNDER SECTION 312, SHAREHOLDERS MUST APPLY THE RULES OF SECTION 301(C) TO DETERMINE IF THE DISTRIBUTIONS ARE A RETURN OF BASIS UNDER SECTION 301(C)(2), OR CAPITAL GAIN UNDER SECTION 301(C)(3).

Can any resulting loss be recognized? ▶ NO

Pursuant to IRC 6045, brokers are required to reflect these adjustments in cost basis reporting for covered securities. If a broker is not required to provide cost basis to a particular shareholder, the cost basis of the shareholder's shares should be adjusted as of the distribution date to reflect the return of capital described above. The final amount of taxable dividend and amount in excess of earnings and profits (i.e., non-dividend distributions) will be reported to shareholders on the Form 1099-DIV.

The reportable tax year is 2018.

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.

Signature ▶ JIM BLAKE

Date ▶ 3/20/2019

Paid Preparer Use Only
Print/Type preparer's name
Preparer's signature
Date
Check □ if self-employed
PTIN
Firm's name ▶
Firm's address ▶
Firm's EIN ▶
Phone no.

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