Brocade Communications Systems, Inc.

3 Name of contact for additional information: Brocade Investor Relations

4 Telephone No. of contact: 408-333-8000

5 Email address of contact: Investor-Relations@Brocade.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact: 130 Holger Way

7 City, town, or post office, state, and Zip code of contact: San Jose, CA 95134

8 Date of action: 2017

9 Classification and description: 1.375% Convertible Senior Notes due 2020

10 CUSIP number: 111621AG1

11 Serial number(s): 

12 Ticker symbol: 

13 Account number(s): 

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: See attachment.

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: See attachment.

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: See attachment.
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ➤ See attachment.

18 Can any resulting loss be recognized? ➤ See attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ➤ See attachment.

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 ➤ Jean Futer

Date ➤ 10/11/2017

Title ➤ VP / Treasurer

Paid Preparer Use Only

Print/Type preparer’s name ➤ Preparer’s signature ➤ Date ➤ Check □ if self-employed

Firm’s name ➤ Firm’s EIN ➤ Phone no.: 

Firm’s address ➤ 

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054
Current IRS guidance under Section 6045B provides that if a company pays a cash dividend with respect to stock resulting in a conversion rate adjustment on a convertible debt instrument that is treated as a deemed distribution, an information return on Form 8937 must be filed with the IRS, or in lieu of filing, posted on the company's public website.

The information contained in the Form 8937 and this attachment is intended to satisfy those requirements and is intended to provide a general summary of certain U.S. federal income tax consequences of the conversion rate adjustments. This information does not constitute tax advice and does not purport to take into account any holder's specific circumstances. Holders are urged to consult their own tax advisors regarding U.S. tax consequences of the adjustments described herein and the impact to tax basis resulting from the adjustments.
Brocade Communications Systems, Inc.
EIN 77-0409517
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities
Debt Instrument: 1.375% convertible senior unsecured notes due 2020

Form 8937, Part II, Line 14
On January 14, 2015, Brocade Communications Systems, Inc., ("Brocade") issued 1.375% convertible senior unsecured notes due 2020 (the "Convertible Notes"). The terms of the Convertible Notes include anti-dilution protection that provides for an increase in the number of shares of the common stock issuance upon conversion.

Under the anti-dilution provision, Brocade made three adjustments to the conversion rate of the Convertible Notes as a result of making cash distributions in excess of $0.035 per share to date in 2017. The increase in the conversion rate resulted in a deemed distribution to its convertible debt holders under section 305(c) in the amounts listed below:

<table>
<thead>
<tr>
<th>Date of Adjustment</th>
<th>Conversion Rate Increase</th>
<th>Stock Price*</th>
<th>Tax Basis Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 8, 2017</td>
<td>0.1031</td>
<td>$12.35</td>
<td>$1.2733</td>
</tr>
<tr>
<td>June 8, 2017</td>
<td>0.1007</td>
<td>$12.67</td>
<td>$1.2759</td>
</tr>
<tr>
<td>September 8, 2017</td>
<td>0.1034</td>
<td>$12.36</td>
<td>$1.2780</td>
</tr>
<tr>
<td>Total for 2017 through September 8</td>
<td></td>
<td></td>
<td>$3.8272</td>
</tr>
</tbody>
</table>

*Closing price on trading day before the ex-dividend date.

Form 8937, Part II, Line 15

For U.S. federal income tax purposes, Brocade expects the adjustments to the Convertible Notes to be treated as a taxable dividend distribution under section 305(c). As a result of the treatment of the adjustments as a dividend distribution, each holder’s tax basis in the Convertible Notes should increase by the amount shown above.

Holders should consult their tax advisors to determine the tax consequences of the adjustments to them.

Form 8937, Part II, Line 16

The tax basis adjustment was calculated using the formula:

\[ \text{Tax Basis Adjustment} = (\text{New Conversion Rate} - \text{Prior Conversion Rate}) \times \text{Market Value} \]
The market value is the closing sales price of the common stock on the trading day immediately preceding the ex-dividend date.

Holders should consult their tax advisors to determine the tax consequences of the adjustments to them.

**Form 8937, Part II, Line 17**
Sections 301, 305(b), and 305(c).

**Form 8937, Part II, Line 18**
This is not a loss transaction.

**Form 8937, Part II, Line 19**
The reportable tax year for the conversion rate adjustments is 2017 for the calendar year taxpayer.