



**Part II** Organizational Action *(continued)*

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

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18 Can any resulting loss be recognized? ▶ See attached.

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

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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 ▶ /s/ Ivy Pong Date ▶ 12/21/2023

Print your name ▶ Ivy Pong Title ▶ VP Tax

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature 	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶ <u>Deloitte Tax LLP</u>		<u>12/21/2023</u>	Firm's EIN ▶ <u>86-1065772</u>	<u>P00561909</u>
	Firm's address ▶ <u>225 West Santa Clara St., Suite 600, San Jose, CA 95113</u>			Phone no. <u>408-704-4000</u>	

**Broadcom Inc.**  
**EIN: 35-2617337**  
**Attachment to Form 8937 – Part II**

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”),<sup>1</sup> and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Mergers (as defined below) on certain securities. The information contained herein does not constitute tax advice and does not purport to be complete or describe the tax consequences that may apply to particular persons or categories of persons. You are encouraged to consult your own tax advisor regarding the particular consequences of the Mergers to you, including the applicability and effect of all United States (“U.S.”) federal, state, local and foreign tax laws. Please read the joint proxy statement/prospectus, dated October 3, 2022, that was filed with the Securities and Exchange Commission, noting especially the discussion therein under the heading “Material U.S. Federal Income Tax Consequences,” and the press release issued by Broadcom and VMware on October 30, 2023, announcing the results of the Merger consideration elections. You may access the joint proxy statement/prospectus at [https://www.sec.gov/Archives/edgar/data/1124610/000114036122035833/ny20005454x1\\_defm14a.htm](https://www.sec.gov/Archives/edgar/data/1124610/000114036122035833/ny20005454x1_defm14a.htm)

**Line 14**

On November 22, 2023, Broadcom Inc. (“Broadcom”) completed its acquisition of VMware, Inc. (“VMware”) pursuant to the Agreement and Plan of Merger (the “Merger Agreement”), dated as of May 26, 2022, by and among Broadcom, VMware, Verona Holdco, Inc., a direct wholly owned subsidiary of VMware (“Holdco”), Verona Merger Sub, Inc., a direct wholly owned subsidiary of Holdco (“Merger Sub 1”), Barcelona Merger Sub 2, Inc., a direct wholly owned subsidiary of Broadcom (“Merger Sub 2”), and Barcelona Merger Sub 3, LLC, a direct wholly owned subsidiary of Broadcom (“Merger Sub 3”).<sup>2</sup>

Pursuant to and subject to the terms and conditions of the Merger Agreement, (i) Merger Sub 1 merged with and into VMware (the “First Merger”), with VMware continuing as the surviving corporation in the First Merger (the “Surviving Company”) and becoming a wholly owned subsidiary of Holdco; (ii) following the First Merger, the Surviving Company was converted from a Delaware corporation into a Delaware limited liability company (the “Conversion,” and together with the First Merger, the “VMware Restructuring”); (iii) following the Conversion, Merger Sub 2 merged with and into Holdco (the “Second Merger”), with Holdco continuing as the surviving corporation in the Second Merger (the “Holdco Surviving Company”) and becoming a wholly owned subsidiary of Broadcom; and (iv) following the Second Merger, the Holdco Surviving Company merged with and into Merger Sub 3, with Merger Sub 3 continuing as the surviving limited liability company and as a wholly owned subsidiary of Broadcom (the

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<sup>1</sup> Unless otherwise specified herein, “section” references are to the Code.

<sup>2</sup> Unless otherwise defined herein, capitalized terms used in this attachment have the meaning ascribed to them in the Merger Agreement.

“Third Merger,” and together with the First Merger, the Conversion, and the Second Merger, the “Mergers”). The Second Merger and the Third Merger, collectively, are referred to as the “Broadcom/VMware Combination.”

At the effective time of the First Merger, each share of VMware common stock (“VMware Common Stock”) outstanding immediately prior to the First Merger was converted into one share of common stock of Holdco (“Holdco Common Stock”). After the consummation of the First Merger, all references in this Attachment to Form 8937 to VMware Common Stock shall be deemed references to Holdco Common Stock.

Subject to the terms and conditions described in the Merger Agreement, at the effective time of the Second Merger, each share of VMware Common Stock issued and outstanding immediately prior to the Second Merger (other than any Cancelled Shares, any Dissenting Shares and any Excluded Shares), was automatically cancelled and converted into the right to receive, at the election of the holder by properly submitting an election form (an “Election Form”):

- a) for each share of VMware Common Stock with respect to which an election to receive cash (a “Cash Election” and a “Cash Election Share”) was made, cash in an amount of \$142.50 per share;
- b) for each share of VMware Common Stock with respect to which an election to receive Broadcom common stock (a “Stock Election” and a “Stock Election Share”) was made, 0.2520 shares of Broadcom common stock (“Broadcom Common Stock”); and
- c) for each share of VMware Common Stock for which a Cash Election or Stock Election was not validly made (collectively, “Non-Election Shares”), the right to receive such merger consideration as determined in accordance with the Merger Agreement.

The consideration for the Second Merger was subject to proration, such that the total number of VMware Common Shares entitled to receive the cash consideration and the total number of VMware Common Shares entitled to receive the stock consideration were, in each case, equal to 50 percent of the aggregate number of VMware Common Shares issued and outstanding immediately prior to the Second Merger. Based on the Election Forms received, in accordance with the proration procedures set forth in the Merger Agreement, (I) a portion of the Stock Election Shares of each holder was converted into the right to receive \$142.50 in cash per share of VMware Common Stock, and the remaining portion of the Stock Election Shares of each holder was converted into the right to receive 0.2520 of a share of Broadcom Common Stock per share of VMware Common Stock, and (II) all Cash Election Shares and Non-Election Shares were converted into the right to receive \$142.50 in cash per share of VMware Common stock. No fractional shares of Broadcom Common Stock were issued in connection with the Second Merger and each holder of shares of VMware Common Stock who would otherwise have been entitled to receive a fraction of a share of Broadcom Common Stock (after aggregating all shares for such holder) received, in lieu thereof, cash in an amount based on the price of Broadcom Common Stock on the NASDAQ on the close of trading on November 21, 2023.

## **Line 15**

### **The VMware Restructuring**

The VMware Restructuring is intended to qualify as a “reorganization” within the meaning of section 368(a)(1)(F). Under section 354(a), a shareholder of VMware Common Stock generally will not recognize gain or loss upon the exchange of VMware Common Stock for VMware Common Stock pursuant to the VMware Restructuring. Under section 358(a), such holder’s tax basis in each share of VMware Common Stock received will equal the tax basis of the VMware Common Stock surrendered in exchange therefor.

### **The Broadcom/VMware Combination**

The Broadcom/VMware Combination is intended to qualify as a “reorganization” within the meaning of section 368(a)(1)(A).

#### **Former VMware shareholders receiving solely Cash Consideration**

A holder of VMware Common Stock who received solely Cash Consideration in the Second Merger generally will recognize gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount of cash received and the holder’s adjusted tax basis in the shares of VMware Common Stock surrendered with no further basis impact.

#### **Former VMware shareholders receiving Stock Consideration and Cash Consideration**

Treasury Regulations generally provide that a shareholder who surrenders stock and receives both stock and cash in a reorganization is treated as having surrendered each share for a *pro rata* portion of the stock and cash received, based on the fair market value of such surrendered share, unless the terms of the exchange provide otherwise and are economically reasonable.

Generally, under sections 356(a) and 356(c), a holder of VMware Common Stock who received a combination of Broadcom Common Stock and cash (other than cash in lieu of a fractional share of Broadcom Common Stock) pursuant to the Broadcom/VMware Combination generally will recognize gain (but not loss) for U.S. federal income tax purposes in an amount equal to the lesser of (1) the sum of the amount of the cash (other than cash in lieu of a fractional share of Broadcom Common Stock) and the fair market value of the Broadcom Common Stock received in exchange for the share of VMware Common Stock surrendered, minus the holder’s adjusted tax basis in the share of VMware Common Stock surrendered in exchange therefor, and (2) the amount of cash received for such share of VMware Common Stock. *See Line 16 for additional information.*

If a holder of VMware Common Stock acquired different blocks of shares of VMware Common Stock at different times or different prices, any gain or loss may be determined separately for each block of shares and such holder’s basis and holding period in its shares of Broadcom Common Stock may be determined with reference to each block of shares of VMware Common Stock. Any such holder should consult their tax advisor regarding the manner in which the Cash

Consideration and Stock Consideration should be allocated among different blocks of shares of VMware Common Stock surrendered.

In certain circumstances, if a holder of VMware Common Stock actually or constructively owns Broadcom Common stock other than Broadcom Common stock received pursuant to the Broadcom/VMware Combination, the recognized gain could be treated for U.S. federal income tax purposes as having the effect of the distribution of a dividend under the tests set forth in section 302, in which case such gain would be treated as dividend income. Because the possibility of dividend treatment depends upon the particular circumstances of a holder, including the application of certain constructive ownership rules, holders should consult their tax advisors regarding the potential application of the foregoing rules to their particular circumstances.

Under section 358(a), a holder of VMware Common Stock who received Broadcom Common Stock generally will have an adjusted tax basis in the share (or portion thereof) of Broadcom Common Stock received (including a fractional share deemed received and redeemed as described in “—Cash in Lieu of a Fractional Share”) equal to the adjusted tax basis of the of the share of VMware Common Stock surrendered, reduced by the amount of Cash Consideration received by the holder (excluding any cash in lieu of a fractional share) for the share of VMware Common Stock surrendered, and increased by the amount of gain (regardless of whether such gain is classified as capital gain or dividend income, as discussed above, but excluding any gain recognized with respect to cash in lieu of a fractional share), if any, recognized by the holder on the exchange.

For purposes of computing gain (but not loss) under section 356(a) and calculating the basis in Broadcom Common Stock received under section 358(a), holders who specifically identified shares of VMware Common Stock to be exchanged for Cash Consideration on the Election Form should consult their own tax advisors with respect to the effectiveness of such specific identification or the tax consequences thereof.

#### Cash in Lieu of a Fractional Share

A holder of VMware Common Stock who received cash in lieu of a fractional share of Broadcom Common Stock will generally be treated as having received such fractional share and then as having received such cash in redemption of the fractional share. Gain or loss generally will be recognized based on the difference between the amount of cash in lieu of the fractional share and the tax basis allocated to such fractional share.

#### **Line 16**

Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how you should determine the fair market value of Broadcom Common Stock received in the Broadcom/VMware Combination for purposes of calculating any gain recognized upon the receipt of a combination of the Stock Consideration and the Cash Consideration in the

Broadcom/VMware Combination. One reasonable approach is to utilize the mean of the highest and lowest AVGO trading price on November 22, 2023, which is \$979.50 (high of \$987.99 and low of \$971.00). Other approaches to determine the fair market value of Broadcom Common Stock may be appropriate. You should consult your tax advisor to determine what measure of fair market value is appropriate.

The amount paid for a fractional share of Broadcom Common Stock was based on the closing price of Broadcom Common Stock as reported on the NASDAQ on November 21, 2023, which was \$981.20.

### **Line 17**

**The VMware Restructuring:** Sections 368(a), 354(a), and 358(a).

**The Broadcom/VMware Combination:**

Solely Cash Consideration: Sections 302 and 1001.

Stock Consideration and Cash Consideration: Sections 356(a), 356(c), 358(a)-(b), and 368(a).

Cash in Lieu of a Fractional Share: Sections 302 and 1001.

### **Line 18**

**The VMware Restructuring:** No loss may be recognized.

**The Broadcom/VMware Combination:**

Solely Cash Consideration: Loss may be recognized.

Stock Consideration and Cash Consideration: No loss may be recognized.

Cash in Lieu of a Fractional Share: Loss may be recognized.

### **Line 19**

The Mergers were consummated on November 22, 2023. For a VMware stockholder whose taxable year is the calendar year, the reportable tax year is 2023.

***The information contained herein does not constitute tax advice and is intended to provide only a general summary and is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the transactions described herein. Moreover, the discussion set forth above does not address tax consequences that may vary with, or are dependent on, individual circumstances. Shareholders should consult with their own tax advisors with respect to the tax consequences of the transactions described herein as applicable to their particular circumstances.***