



**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 attachment](#)

Multiple horizontal lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ [See attachment](#)

Multiple horizontal lines for providing information regarding resulting losses.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attachment](#)

Multiple horizontal lines for providing other necessary information.

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 ▶ *Douglas E. Robinson* Date ▶ 2/25/2021

Print your name ▶ Douglas E. Robinson Title ▶ Chief Financial Officer

<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 ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

**VERINT SYSTEMS INC.**  
**EIN: 11-3200514**  
**Attachment to Form 9937**

**Part II**

- Line 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 February 1, 2021, Verint Systems Inc. ("Verint") completed the previously announced spin-off (the "Spin-Off") of Cognyte Software Ltd. ("Cognyte"), an Israeli company limited by shares. The Spin-Off was completed by way of a *pro rata* distribution (the "Distribution") of all of the then issued and outstanding ordinary shares of Cognyte (the "Cognyte Stock") to the holders of record (the "Verint Stockholders") of Verint's common stock (the "Verint Stock") as of the close of business on January 25, 2021 (the "Record Date"). Pursuant to the Distribution, each Verint Stockholder received one (1) share of Cognyte Stock for each share of Verint Stock held as of the Record Date.

- Line 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.**

Verint Stockholders should allocate their aggregate tax basis in their Verint Stock held immediately prior to the Distribution among the Cognyte Stock received in the Distribution and the Verint Stock in respect of which such Cognyte Stock was received in proportion to the fair market value of such stock immediately after the Distribution.

*This Form 9937 does not constitute tax advice. Verint Stockholders are urged to consult their own tax advisors regarding the particular consequences of the Distribution, including the applicability and effect of all U.S. federal, state and local, and non-U.S. tax laws.*

- Line 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.**

The U.S. federal income tax laws provide that the allocation of the aggregate tax basis described in Line 15 above is made based on the relative fair market values of the Verint Stock and Cognyte Stock immediately after the Distribution. 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. There are many potential ways to determine the fair market value of Verint Stock and Cognyte Stock. One potential method to determine the fair market value is to use the average of the high and low trading prices on Nasdaq of the Verint Stock and Cognyte Stock on February 2, 2021, the first day of "regular-way" trading of Cognyte Stock following the Distribution.

The averages of the high and low trading prices of the Verint Stock and Cognyte Stock on February 2, 2021 were \$50.12 and \$28.63, respectively. On that basis, the pre-Distribution tax basis in the Verint Stock would be allocated 63.644% ( $\$50.12/(\$50.12+\$28.63)$ ) to the Verint Stock and 36.356% ( $\$28.63/(\$50.12+\$28.63)$ ) to the Cognyte Stock. If a Verint Stockholder uses the average of the high and low trading prices on February 2, 2021, taking into account the distribution ratio of one (1) Cognyte share per each share of Verint, to determine the fair market value of his or her Verint Stock and Cognyte Stock, the following example illustrates how this may be done.

**Example:** Assume a U.S. stockholder owned 50 shares of Verint Stock, 25 of which were acquired on Date 1 with an aggregate tax basis of \$100 (or \$4 per share), and 25 of which were acquired on Date 2 with an aggregate tax basis of \$200 (or \$8 per share), for a total aggregate basis of \$300. Pursuant to the Distribution, such U.S. stockholder received 50 shares of Cognyte Stock. Taking into account the assumed relative fair market values noted above, the U.S. stockholder would have (i) 25 shares of Cognyte Stock with an aggregate tax basis of \$36.36 ( $\$100 \times 36.356\%$ ) that is treated as having been acquired on Date 1; and (ii) 25 shares of Cognyte Stock with an aggregate tax basis of \$72.71 ( $\$200 \times 36.356\%$ ) that is treated as having been acquired on Date 2. In addition, U.S. stockholder's aggregate tax basis in the 25 shares of Verint Stock that were acquired on Date 1 would be reduced to \$63.64 ( $\$100 \times 63.644\%$ ), and its aggregate tax basis in the 25 shares of Verint Stock that were acquired on Date 2 would be reduced to \$127.29 ( $\$200 \times 63.644\%$ ).

A stockholder is not bound to use this approach and may use another approach in determining fair market values for his or her Verint Stock and Cognyte Stock. A qualified tax advisor should be consulted regarding the approach to be used.

*This Form 8937 does not constitute tax advice. Verint Stockholders are urged to consult their tax advisors regarding the particular consequences of the Distribution, including the applicability and effect of all U.S. federal, state and local, and non-U.S. tax laws.*

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

The applicable Internal Revenue Code sections upon which the tax treatment of the Distribution is based are sections 355 and 358.

*This Form 8937 does not constitute tax advice. Verint Stockholders are urged to consult their tax advisors regarding the particular consequences of the Distribution, including the applicability and effect of all U.S. federal, state and local, and non-U.S. tax laws.*

**Line 18. Can any resulting loss be recognized?**

No loss may be recognized by Verint Stockholders on the receipt of Cognyte Stock in the Distribution.

*This Form 8937 does not constitute tax advice. Verint Stockholders are urged to consult their tax advisors regarding the particular consequences of the Distribution, including the applicability and effect of all U.S. federal, state and local, and non-U.S. tax laws.*

**Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The Distribution occurred on February 1, 2021. For a Verint Stockholder with a calendar tax year, the stock basis adjustments are taken into account in 2021.

*This Form 8937 does not constitute tax advice. Verint Stockholders are urged to consult their tax advisors regarding the particular consequences of the Distribution, including the applicability and effect of all U.S. federal, state and local, and non-U.S. tax laws.*