

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.](#)

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

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

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 ▶ Mark Weinswig Date ▶ 3/27/2023
DocuSigned by: 8FB103EFE96A4EE...

Print your name ▶ Mark Weinswig Title ▶ Chief Financial Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>Doreen Cadieux</u>	<u>Doreen D. Cadieux</u>	<u>3/17/2023</u>		<u>P00558714</u>
	Firm's name ▶ <u>Deloitte Tax LLP</u>	Firm's EIN ▶ <u>86-1065772</u>		Phone no. <u>408-704-4000</u>	
Firm's address ▶ <u>225 W Santa Clara Street, #600, San Jose, CA 95113</u>					

Ouster, Inc.
Attachment to Form 8937

Ouster, Inc.
EIN: 86-2528989
(as successor to Velodyne Lidar, Inc.)
Attachment to Form 8937

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”),¹ 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 the adjusted United States (“U.S.”) tax basis of the 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 applicability and effect of all U.S. federal, state, local and foreign tax laws.

Form 8937, Part I, Line 9

Common stock, preferred stock, and warrants of Velodyne Lidar, Inc. (“**Velodyne**”)

Form 8937, Part I, Line 10

Ouster, Inc. (“**Ouster**”): 68989M103
Velodyne: 384278107

Form 8937, Part I, Line 12

Ouster: OUST, OUSTWS
Velodyne: VLDR, VLDRW

Form 8937, Part II, Line 14

On February 10, 2023, at the effective time of the First Merger (as defined below) (the “**Effective Time**”), Oban Merger Sub, Inc. (“**Merger Sub I**”), a Delaware corporation and a direct, wholly owned subsidiary of Ouster merged with and into Velodyne (the “**First Merger**”), with Velodyne surviving the First Merger as a direct, wholly owned subsidiary of Ouster.

On February 10, 2023, and as part of an integrated plan with the First Merger, Velodyne merged with and into Oban Merger Sub II LLC (“**Merger Sub II**”), a Delaware limited liability company and a direct, wholly owned subsidiary of Ouster (the “**Second Merger**”), with Merger Sub II surviving the Second Merger as a direct, wholly owned subsidiary of Ouster (the Second

¹ Unless otherwise specified herein, “section” references are to the Code.

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Merger, and together with the First Merger, the “**Mergers**”). The Mergers were carried out pursuant to an Agreement and Plan of Merger, dated as of November 4, 2022 (the “**Merger Agreement**”), by and among Velodyne, Merger Sub I, Merger Sub II, and Ouster. Velodyne Lidar, Inc., Merger Sub I, Merger Sub II (subsequently known as Velodyne LLC), and Ouster..²

At the Effective Time, each share of common stock of Velodyne, par value \$0.0001 per share (“**Velodyne Common Stock**”) issued and outstanding immediately prior to the Effective Time (other than the shares that were owned by Velodyne, Ouster, Merger Sub I or Merger Sub II or any wholly owned subsidiary of Velodyne, Ouster, Merger Sub I or Merger Sub II) was converted into the right to receive 0.8204 (the “**Exchange Ratio**”) validly issued, fully paid and non-assessable shares of common stock of Ouster, par value \$0.0001 per share (the “**Ouster Common Stock**” and such shares, the “**Velodyne Common Stock Merger Consideration**”).

At the Effective Time, each share of preferred stock of Velodyne issued and outstanding immediately prior to the Effective Time (other than the shares that were owned by Velodyne, Ouster, Merger Sub I or Merger Sub II or any wholly owned subsidiary of Velodyne, Ouster, Merger Sub I or Merger Sub II) was cancelled for no consideration.

No fractional shares of Ouster Common Stock were issued in the Mergers. Velodyne stockholders received cash in lieu of fractional shares as part of the Velodyne Common Stock Merger Consideration.

At the Effective Time, outstanding warrants to purchase shares of Velodyne Common Stock (“**Velodyne Warrants**”) were assumed by Ouster and converted into warrants to purchase shares of Ouster Common Stock (“**Ouster Warrants**”) under the same terms and conditions applied to such Velodyne Warrants as of immediately prior to the Effective Time; however, the Ouster Warrants cover a number of shares of Ouster Common Stock equal to the product of the number of shares of Velodyne Common Stock subject to each such converted Velodyne Warrant and the Exchange Ratio, rounded down to the nearest whole share, and have an exercise price per share equal to the amount obtained by dividing the per share exercise price of each such converted Velodyne Warrant by the Exchange Ratio, rounded up to the nearest whole cent.

At the Effective Time, all outstanding options to acquire shares of Velodyne Common Stock (“**Velodyne Options**”) held by individuals who are eligible to be included as an “employee” in a registration statement filed on Form S-8 immediately following the Effective Time (“**Continuing Service Providers**”) were assumed by Ouster and converted into stock options to purchase shares of Ouster Common Stock (“**Ouster Options**”) with the same terms and conditions as applied to the Velodyne Options immediately prior to the Effective Time; however, each Ouster Option covers a number of shares of Ouster Common Stock equal to the product of the number of shares of Velodyne Common Stock subject to the assumed Velodyne Options and the Exchange Ratio, rounded down to the nearest whole share, and has an exercise price per share equal to the amount obtained by dividing the per-share exercise price of the assumed Velodyne Options by the Exchange Ratio, rounded up to the nearest cent. Each

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

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Velodyne Option that was not held by a Continuing Service Provider was terminated immediately prior to the Effective Time for no consideration.

At the Effective Time, all outstanding awards of Velodyne restricted stock units (“**Velodyne RSU Awards**”) held by Continuing Service Providers were converted into awards of Ouster restricted stock units (“**Ouster RSU Awards**”) with the same terms and conditions as applied to the Velodyne RSU Awards immediately prior to the Effective Time; however, each Ouster RSU Award covers a number of shares of Ouster Common Stock equal to the product of the number of shares of Velodyne Common Stock subject to the converted Velodyne RSU Award and the Exchange Ratio, rounded down to the nearest whole share. Each Velodyne RSU Award that was not held by a Continuing Service Provider was terminated immediately prior to the Effective Time for no consideration.

All Velodyne restricted stock and Velodyne RSU Awards held by non-employee members of the Velodyne board of directors vested in full and became free of any restrictions, including any risk of forfeiture, as of the Effective Time and were treated as shares of Velodyne Common Stock under the Merger Agreement.

Form 8937, Part II, Line 15

The Mergers are intended to qualify as a tax-free exchange under Section 368(a)(1)(A) of the Code.

As a result of the Mergers, a U.S. holder exchanging its shares of Velodyne Common Stock or Velodyne Warrants for shares of Ouster Common Stock or Ouster Warrants, respectively, should generally take a tax basis in each share of Ouster Common Stock or Ouster Warrants equal to the tax basis in the shares of Velodyne Common Stock or Velodyne Warrants exchanged therefor, as determined separately for each block of Velodyne Common Stock or Velodyne Warrants held by the U.S. holder, decreased by any cash received, and increased by any gain recognized.

With respect the cash received by a U.S. holder in exchange for its shares of Velodyne Common Stock as part of the Mergers, gain or loss will be recognized by the holder of Velodyne Common Stock based on the difference between the amount of cash received and the shareholder’s tax basis in the Velodyne Common Stock.

Form 8937, Part II, Line 16

Generally, a U.S. holder will have an aggregate adjusted tax basis in the shares of Ouster Common Stock or Velodyne Warrants received in the Mergers equal to the tax basis in the Velodyne Common Stock or Velodyne Warrants that were exchanged, as determined separately for each block of Velodyne Common Stock or Velodyne Warrants held by the U.S. holder, decreased by any cash received, and increased by any gain recognized.

Form 8937, Part II, Line 17

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Sections 368(a), 354(a), 356(a), and 358(a) of the Code.

Form 8937, Part II, Line 18

Holders of Velodyne Common Stock or Velodyne Warrants who exchanged their Velodyne Common Stock or Velodyne Warrants for Ouster Common Stock or Ouster Warrants, as applicable, will not recognize a loss in connection with the Mergers.

For the cash received by shareholders, the receipt of cash will be treated as the shareholder having sold the Velodyne Common Stock. A U.S. holder will recognize gain or loss on any cash received equal to the difference between the amount of cash received and the U.S. holder's adjusted tax basis of the Velodyne Common Stock surrendered. Such gain or loss generally will be long-term capital gain or loss if the holding period in the Velodyne Common Stock is more than twelve months as of the closing date of the Mergers. The deductibility of capital losses is subject to limitations.

A U.S. holder's holding period for the share of Ouster Common Stock or Ouster Warrants received in the Mergers will include the U.S. holder's holding period for the Velodyne Common Stock or Velodyne Warrants surrendered therefor.

Form 8937, Part II, Line 19

The U.S. federal income tax consequences of the Mergers are taken into account in the tax year of each holder of Velodyne Common Stock or Velodyne Warrant that includes February 10, 2023.

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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. Securityholders are urged to consult with their own tax advisors with respect to the tax consequences of the transactions described herein as applicable to their particular circumstances.