



**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](#)

Blank lines for listing Internal Revenue Code sections.

**18** Can any resulting loss be recognized? ▶ [SEE ATTACHMENT](#)

Blank lines for providing information regarding loss recognition.

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

Blank 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 ▶ *SS Stafford* Date ▶ 9/21/2020

Print your name ▶ SHANNON STAFFORD Title ▶ MANAGING DIRECTOR

<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.			

ATTACHMENT TO IRS FORM 8937 – PART II  
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

CONSULT YOUR TAX ADVISOR

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"), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the distribution paid to Common Stock Shareholders of The Carlyle Group Inc. ("Carlyle") on May 19, 2020. The information below does not constitute tax advice and does not purport to be complete or to describe the tax consequences that may apply to the Common Stock Shareholders. The descriptions in questions 14-19 below are being provided pursuant to Section 6045B of the Code and as a convenience to shareholders and their tax advisors when establishing their specific tax position. Please consult your tax advisor regarding the applicability and effect of all U.S. federal, state, local and foreign tax laws.

**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:**

The Common Stock distribution of \$0.25 per share was declared by the board of directors of Carlyle on April 23, 2020 and was paid on May 19, 2020.

**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:**

Carlyle currently estimates that the Common Stock shareholder's tax basis will reduce by \$0.15 per share as a result of the above distribution and the remaining distribution \$0.10 per share will be treated as out of current earnings and profits (E&P), in application of Treas. Section 1.6042-3(c).

**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:**

Carlyle's distributions and the determination of the tax character are based on the most current estimates of E&P available. These estimates will be updated as additional information becomes available. According to Internal Revenue Code Sections 301(c) and 316(c), distributions are treated as a taxable dividend to the extent there is current and accumulated E&P. Distributions in excess of E&P are treated as nontaxable and are applied against and reduce the adjusted basis of the stock.

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

IRC Sections 301 and 316

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

Not applicable

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

As noted above, the amount of return of capital disclosed in this filing is based on an estimate using the most current estimated earnings and profit available. As our financial information and updates to our E&P projections become available, we will re-evaluate our E&P projections and will report an updated Form 8937, as needed.