

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name Tenable Network Security, Inc.		2 Issuer's employer identification number (EIN) 03-0486428	
3 Name of contact for additional information Gal Nir	4 Telephone No. of contact 443-545-2104, ext. 659	5 Email address of contact gnir@tenable.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7021 Columbia Gateway Dr., Suite 500		7 City, town, or post office, state, and Zip code of contact Columbia, MD 21046	
8 Date of action December 18, 2015		9 Classification and description Preferred and common stock	
10 CUSIP number	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 ► On December 18, 2015 (the "Closing Date"), a wholly-owned subsidiary of Tenable Holdings, Inc. (the "Acquiror") merged with and into Tenable Network Security, Inc. (the "Company"), with the Company surviving. Prior to the Closing Date, certain Company shares were transferred to Acquiror in exchange for Acquiror shares to be issued on the Closing Date, and those Acquiror shares were issued on the Closing Date. In connection with the merger, all Company common shares (other than contributed common shares) were converted into either (i) solely cash or (ii) a combination of Acquiror common shares and cash.

For more information, Company shareholders should refer to the discussion of Certain Material U.S. Federal Income Tax Consequences of the Merger that was included in the Company's Confidential Solicitation Statement, dated November 13, 2015. The statements in this form are subject to the conditions and qualifications set forth in that discussion.

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 ► The Company has assumed that the receipt of Acquiror shares by a Company shareholder, whether pursuant to a contribution or in the merger, will be integrated with the cash, if any, received by such shareholder in the merger.

A Company shareholder's initial aggregate tax basis in Acquiror shares received in exchange for Company shares, whether pursuant to a contribution or in the merger, will equal the adjusted tax basis of his or her Company shares, decreased by the amount of cash received and increased by the amount of gain recognized. Each Company shareholder that receives Acquiror shares should recognize gain (but not loss) with respect to the disposition of his or her Company shares equal to the lesser of (a) the amount of cash received and (b) the excess, if any, of (i) the sum of the amount of cash and the fair market value of the Acquiror shares received, and (ii) the shareholder's basis in his or her Company shares. No loss will be recognized. For this purpose, a shareholder must calculate gain or loss separately for each identifiable block of Company shares.

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 ► For the specific purpose of calculating a Company shareholder's initial aggregate tax basis in Acquiror common shares received in exchange for Company common shares, whether pursuant to a contribution or in the merger, the Company believes that it is reasonable to assume that, on the Closing Date, the fair market value of Acquiror shares exchanged for one Company share should be equal to the amount of cash exchanged for one Company share pursuant to the merger, which was \$5.82.

For example, assume that a shareholder held 100 Company shares with an aggregate basis of \$100 (\$1/share) and exchanged them for 30 Acquiror shares (worth \$174.60) and \$407.40 in cash (70 Company shares at \$5.82 per share in cash). The shareholder's initial aggregate tax basis in Acquiror common shares would be equal to \$100.00, calculated as follows: the adjusted tax basis of his or her Company shares (\$100.00), decreased by the amount of cash received (\$407.40) and increased by the amount of gain recognized of \$407.40, i.e., the lesser of (a) the amount of cash received, or \$407.40, and (b) the excess, if any, of (i) the sum of the amount of cash and the fair market value of the Acquiror shares received (\$582.00), and (ii) the shareholder's basis in his or her Company shares (\$100.00), or \$482.00.

For Paperwork Reduction Act Notice, see the separate Instructions.

Cat. No. 37752P

Form **8937** (12-2011)

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sections 351, 356 and 358 of the Internal Revenue Code of 1986, as amended (the "Code").

18 Can any resulting loss be recognized? ▶ No.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ For U.S. federal income tax purposes, pursuant to the merger agreement, all parties intend, acknowledge and agree that the contribution of Company shares to Acquiror, when taken together with the other transactions occurring in connection with the merger, shall be treated as a transaction under Code Section 351 and agree to take all necessary actions in accordance therewith. Special rules addressing "incentive stock options" were addressed in the Company's Supplemental Information to Confidential Solicitation Statement for Holders of Shares Received on Exercise of an Incentive Stock Option, dated November 13, 2015.

Company shareholders should seek advice regarding the tax consequences of the contributions and merger based on his, her or its circumstances from an independent tax advisor.

Sign Here

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 ▶

Date ▶

Print your name ▶ GAL NIR

Title ▶ VP OF TAX

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054