

## **U.S. Federal Income Tax Information Relating to DXC Technology Company's Distribution of the Common Stock of Perspecta Inc.**

On May 31, 2018 (the “**Effective Date**”), DXC Technology Company (“**DXC**”) distributed all of the shares of common stock of Perspecta Inc. (“**Perspecta**”), a wholly owned subsidiary of DXC, to DXC shareholders (the “**Distribution**”). Prior to the Distribution, DXC contributed certain assets and operations relating to DXC's United States Public Sector segment to Perspecta.

The Distribution occurred by way of a pro rata dividend to DXC shareholders of record as of May 25, 2018 (the “**Record Date**”). Each DXC shareholder was entitled to receive one share of Perspecta common stock for every two shares of DXC common stock held by such shareholder at the close of business on the Record Date. DXC did not distribute any fractional shares to shareholders in the Distribution. Instead, fractional shares of Perspecta common stock were aggregated and sold in the open market by the distribution agent, and the net cash proceeds from such sales were then distributed to each DXC shareholder who otherwise would have been entitled to receive a fractional share of Perspecta common stock in the Distribution.

This document summarizes certain U.S. federal income tax consequences of the Distribution.

***The tax rules are very complex and we urge you to consult your own tax advisors regarding the application of these rules to your particular circumstances.***

### **Tax Treatment of the Distribution**

The Distribution is expected to qualify as tax-free under Sections 368(a)(1)(D) and 355 of the Internal Revenue Code of 1986, as amended (the “**Code**”), for U.S. federal income tax purposes. Assuming the Distribution so qualifies, you will not recognize income, gain or loss as a result of the Distribution, except for any gain or loss attributable to the receipt of cash in lieu of fractional shares of Perspecta common stock.

If you received cash in lieu of a fractional share of Perspecta common stock in the Distribution, you will generally be treated as having received such fractional share pursuant to the Distribution and then as having sold such fractional share for cash. Taxable gain or loss will be recognized in an amount equal to the difference between (i) the amount of cash received in lieu of the fractional share and (ii) your tax basis in the fractional share, as described below.

### **Tax Basis Allocation**

In general, U.S. federal income tax law requires that you allocate the tax basis in your DXC shares held prior to the Distribution (“**Pre-Distribution Tax Basis**”) between: (1) the Perspecta shares received in the Distribution (including any fractional shares of Perspecta stock deemed received and sold on your behalf) and (2) the DXC common stock with respect to which the Perspecta stock was received. Such allocation generally depends on the relative fair market values of the DXC and Perspecta shares on the Effective Date. Federal tax law does not

specifically identify how you should determine the fair market values of the DXC and Perspecta shares on the Effective Date. Alternative methods to determine the relative fair market values include, without limitation, using: (i) the average of the high and low trading prices of the stocks on the first day of trading of both stocks; (ii) the opening trading prices on the first day of trading of both stocks; or (iii) the closing trading prices on the first day of trading of both stocks.

Posted on DXC's investor relations website you will find a tax basis worksheet that illustrates how to allocate your Pre-Distribution Tax Basis between: (1) the Perspecta shares received in the Distribution (including any fractional shares of Perspecta stock deemed received and sold on your behalf) and (2) the DXC common stock with respect to which the Perspecta stock was received. The worksheet includes a sample allocation of tax basis between DXC and Perspecta shares based on the volume-weighted average trading prices of DXC and Perspecta common stock on June 1, 2018, the first day of "regular way" trading of both stocks. Under this approach, you would allocate approximately 12.94% percent of your Pre-Distribution Tax Basis to the Perspecta shares received in the Distribution (including any fractional shares of Perspecta stock deemed received and sold on your behalf) and approximately 87.06% percent to the DXC common stock with respect to which the Perspecta stock was received.

Therefore, to properly allocate your Pre-Distribution Tax Basis, you will need: (1) the number of shares of DXC stock that you held prior to the Distribution and (2) the total tax basis of those shares. You will need to determine your tax basis separately for each block of DXC common stock (generally stock acquired at the same time for the same price) that you own. If you acquired different blocks of DXC common stock at different times or at different prices, you are urged to consult your own tax advisor regarding the calculation and allocation of your Pre-Distribution Tax Basis, as well as the holding period of the Perspecta shares received in the Distribution.

Generally, the total tax basis of DXC stock that you purchased is equal to the total price you paid, plus any commissions or other fees you paid. If you acquired your DXC stock other than by purchase, your tax basis will be determined under rules applicable to the type of transaction in which you acquired them. Please consult your own tax advisor for additional guidance with respect to the determination of the tax basis of your DXC shares.

### **Holding Period**

Based on the expected tax-free treatment of the Distribution, for U.S. federal income tax purposes, the holding period for your Perspecta shares will include the holding period for your DXC shares with respect to which you received the Perspecta shares, provided that such shares of DXC common stock were held as capital assets immediately following the Distribution.

### **Disclosure Required from Significant Distributees**

Certain holders of DXC common stock (i.e., those shareholders who, immediately before the Distribution, (i) owned at least 5% (by vote or value) of the total outstanding stock of DXC or (ii) owned securities of DXC with an aggregate tax basis of \$1 million or more) who received shares of Perspecta in the Distribution are required to include a tax information statement with respect to the Distribution in their U.S. federal income tax returns for 2018. A form of this tax

information statement will be provided on DXC's website. Holders should consult their tax advisors regarding this form.

### **General Recordkeeping Requirements**

All shareholders who received Perspecta common stock in the Distribution are required to keep certain information relating to the Distribution in their permanent records, specifically including information regarding the amount, tax basis, and fair market value of the Perspecta common stock received. Shareholders are urged to consult their own tax advisors regarding these requirements.

**The information contained herein does not apply to you if you sold, exchanged or otherwise disposed of DXC common stock prior to the time of the Distribution and you did not receive the Distribution of Perspecta shares with respect to such DXC common stock after the close of the market on May 31, 2018.**

**The information contained herein has been prepared by DXC for general information purposes only and does not represent an opinion of counsel or otherwise constitute tax advice. It does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. The information contained herein also assumes that you are a U.S. taxpayer that holds your DXC common stock as a capital asset (generally, property held for investment). The tax rules are very complex, and you are urged to consult your own tax advisor with respect to the U.S. federal income tax consequences of the Distribution, as well as any other U.S. federal, state, local or foreign tax laws. We also urge you to read the information statement for the Distribution that was mailed to you, noting especially the section entitled "Material U.S. Federal Income Tax Consequences of the Distribution" for more information regarding the potential tax consequences to you of the Distribution. You may also access this information statement on DXC's website at [www.dxc.com](http://www.dxc.com) in the Investor Relations sections.**

If you need further information with respect to the Distribution, please call DXC Investor Relations at (703)-245-9700.