

## **Important U.S. Federal Income Tax Information for Shareholders Concerning the Everett Spinco, Inc. Common Stock Distribution**

April 26, 2017

Dear Shareholder,

On March 2, 2017 the Board of Directors of Hewlett Packard Enterprise Company (“HPE”) declared a pro rata dividend to HPE common stockholders of record as of the close of business on March 20, 2017 (the “Record Date”) of 100% of the outstanding shares of Everett SpinCo, Inc. (“Everett”) common stock payable on March 31, 2017 (the “Distribution Date”). On the Distribution Date, HPE completed the distribution of 100% of the outstanding shares of Everett (the “Distribution”) and each shareholder who held HPE common stock on the Record Date in the “regular way”<sup>1</sup> market received 0.085904 shares of Everett common stock for each share of HPE common stock owned on the Record Date. Each shareholder who owned a fractional share of HPE common stock received a cash payment in lieu of a fractional share of Everett common stock. Immediately following the spin-off, a wholly-owned subsidiary of Everett merged with and into Computer Sciences Corporation (“CSC”), whereby the separate corporate existence of the wholly-owned subsidiary ceased, and CSC continued as the surviving company and a wholly-owned subsidiary of Everett (the “Merger”). Immediately following the Merger, Everett was renamed DXC Technology (“DXC”).

This letter explains certain U.S. federal income tax consequences of the Distribution and describes how to allocate your tax basis between your HPE common stock and the Everett common stock you received in the Distribution.

**Tax Treatment of the Distribution.** On March 31, 2017, HPE received an opinion of counsel from Skadden, Arps, Slate, Meagher & Flom concluding, based on certain representations of HPE and Everett with respect to (among other things) the activities of HPE and Everett following the Distribution, that the Distribution “will” qualify as a reorganization within the meaning of sections 368(a)(1)(D) and 355 of the Internal Revenue Code of 1986, as amended (the “Code”). As a result, you will generally not recognize gain or loss for U.S. federal income tax purposes on receipt of the Everett common stock in the Distribution. If, however, you receive cash in lieu of fractional shares you may recognize taxable gain or loss as described below.

**Fractional Shares.** Any cash distributed to you in lieu of fractional shares is meant to avoid the expense and inconvenience to Everett of issuing and maintaining fractional shares. If you receive cash in lieu of a fractional share, such receipt should be treated as though you received solely Everett common stock, and then that portion of deemed-received Everett common stock that corresponds to the fractional share was separately redeemed, for the cash that was actually received. Any gain or loss is measured by the difference between the basis of the fractional share interest in Everett common stock to which you would otherwise be entitled and the amount of cash you received.

**Tax Basis.** Your aggregate tax basis in the HPE common stock you owned immediately before the Distribution (and after any reduction arising from the fractional share cash distributions described above)

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<sup>1</sup> Shares of HPE common stock that traded in the “regular-way” market on the New York Stock Exchange prior to the Distribution Date traded with an entitlement to shares of Everett common stock distributed on the Distribution Date. Shares that traded in the “ex-distribution” market traded without an entitlement to shares of Everett common stock.

must be allocated between your HPE common stock and the shares of Everett common stock you received in the Distribution (including any remaining basis in fractional shares for which you received cash).

This allocation is based on the relative fair market values of your HPE common stock and your Everett common stock as of the date of the Distribution. Although U.S. federal income tax laws do not specify how to determine fair market value, one approach to determine the fair market value of the HPE common stock is to use the average of the opening and closing trading prices quoted on the New York Stock Exchange on April 3, 2017, the first trading day after the Distribution. With respect to the Everett common stock, because there was no public trading prices for the stand-alone Everett entity (i.e., there was only a trading price quoted for the post-Merger DXC entity), one approach to determine the fair market value of the Everett common stock is to use the average of the opening and closing trading prices of DXC quoted on the New York Stock Exchange on April 3, 2017, the first trading day after the Distribution, and adjust this average DXC trading price to take into account the Merger exchange ratio (1:1 Everett to DXC) and the Distribution ratio (1:0.085904 HPE to Everett) to arrive at a fair market value for each Everett fractional share.

You should consult your tax advisor to determine the appropriate fair market values.

If you acquired your HPE common stock at different times and at different prices, you will need to calculate a separate tax basis for each block of HPE common stock you own and then allocate the basis in each block of stock separately to the Everett common stock you received. HPE suggests that you retain this letter to support your determination of your basis in your HPE common stock and your Everett common stock.

**Example:** This example assumes you choose to use the methodology described above as the method of determining the fair market values of the HPE common stock and the Everett common stock. Using this method, after the Distribution, the fair market value of a share of HPE common stock was \$17.79 and the fair market value of a fractional share of Everett common stock received with respect to each share of HPE common stock was \$5.90. Based on these relative fair market values, your basis in your HPE common stock would be apportioned 75.1% to your HPE stock and 24.9% to your Everett common stock. See Exhibit 1. This calculation may be illustrated as follows:

- Assume you own a single block of 100 shares of HPE common stock with a tax basis of \$15 per share (and a total tax basis of \$1,500).
- You are entitled to receive 8.5904 shares of Everett common stock in the Distribution. Because no fractional shares are issued, you receive 8 shares of Everett common stock.
- Your total tax basis in your HPE common stock is allocated \$1,126.54 to the HPE common stock (75.1% of \$1,500), or \$11.27 per share (i.e., \$1,126.54, divided by 100 shares), and \$373.46 to the Everett common stock (24.9% of \$1,500), or \$43.47 per share (i.e., \$373.46 divided by 8.5904 shares).

The above calculations are summarized in the attached table:

Shares	Number of Shares (incl. fractional shares)	Tax Basis Allocation per share	Tax Basis Allocation (total)
HPE	100	\$11.27	\$1,126.54
Everett	8.5904	\$43.47	\$373.46
Total Tax Basis			\$1,500

If you own HPE common stock with a different tax basis for alternative minimum tax (“AMT”) purposes than your tax basis for regular federal income tax purposes, you will need to allocate your AMT basis between your HPE common stock and your Everett common stock in the same manner as described above.

**U.S. Federal Income Tax Reporting Requirements.** Any shareholder of HPE that is a “significant distributee” is required to attach a statement describing the details of the Distribution to his, her or its U.S. federal income tax return for the period that includes the Distribution Date. This would be the 2017 U.S. Federal income tax return for calendar year shareholders. You are a significant distributee if, immediately before the Distribution, you owned (i) at least five percent (by vote or value) of the total outstanding stock of HPE or (ii) securities in HPE with a basis of \$1,000,000 or more. If a significant distributee is a “controlled foreign corporation” (within the meaning of section 957 of the Code), each “United States shareholder” (within the meaning of section 951(b) of the Code) with respect thereto must include this statement on or with its return. A sample statement is attached as Exhibit 2.

**THE INFORMATION SET FORTH ABOVE AND IN THE ATTACHED EXHIBITS IS FOR GENERAL INFORMATION PURPOSES ONLY AND DOES NOT PURPORT TO ADDRESS ALL ASPECTS OF FEDERAL TAXATION THAT MAY BE RELEVANT TO PARTICULAR SHAREHOLDERS. THIS INFORMATION DOES NOT CONSTITUTE TAX ADVICE AND MAY NOT BE APPLICABLE TO SHAREHOLDERS WHO ARE NOT CITIZENS OR RESIDENTS OF THE UNITED STATES. NOR DOES IT ADDRESS TAX CONSEQUENCES WHICH MAY VARY WITH YOUR INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, YOU ARE URGED TO CONSULT YOUR TAX ADVISORS TO DETERMINE THE APPLICATION OF THE INFORMATION SET FORTH ABOVE AND IN THE ATTACHED EXHIBITS TO YOUR INDIVIDUAL CIRCUMSTANCES AND THE PARTICULAR FEDERAL, FOREIGN, STATE AND LOCAL TAX CONSEQUENCES OF THE SPIN-OFF TO YOU.**

**Determination of the Fair Market Values of  
Everett and Everett Spinco, Inc. after the Distribution and Merger of Everett Spinco, Inc. with  
Computer Sciences Corporation**

The Distribution occurred on March 31, 2017 and was immediately followed by the Merger pursuant to which CSC merged with and into a wholly owned subsidiary of Everett Spinco, Inc., with CSC surviving. Immediately following this Merger, Everett Spinco, Inc. was renamed “DXC Technology”. The first regular trading day for the DXC Technology common stock was April 3, 2017.

U.S. federal income tax law does not specifically identify how you should determine the fair market values of the HPE common stock and the Everett common stock after the Distribution. One method of determining the fair market value of the HPE common stock is to use the average of the opening and closing trading prices quoted on the New York Stock Exchange on April 3, 2017, the first trading day after the Distribution. With respect to the Everett common stock, because there were no public trading prices for the stand-alone Everett entity (i.e., there was only a trading price quoted for the post-Merger DXC entity), one approach to determine the fair market value of the Everett common stock is to use the average of the opening and closing trading prices of DXC quoted on the New York Stock Exchange on April 3, 2017, the first trading day after the Distribution, and adjust this average DXC trading price to take into account the Merger exchange ratio (1:1 Everett to DXC) and the Distribution ratio (1:0.085904 HPE to Everett) to arrive at a fair market value for each Everett fractional share. The trading prices and basis allocation percentages using this method, which you and your tax advisor may find useful, are set forth in the following Table 1 and Table 2.

**Table 1**  
**Trading Prices**

<b>Common Stock</b>	<b>Average Opening/Closing Trading Price on April 3, 2017</b>
HPE (value per share) . . . . .	\$17.79
DXC (value per share) . . . . .	\$68.64
Everett (implied value per fractional share) . . . . .	\$5.90

**Table 2**  
**Basis Allocation Percentages**

<b>Common Stock</b>	<b>Allocation Percentage</b>
HPE Value (a) . . . . .	\$17.79
Value of Everett fractional share received for each HPE share owned (b) . . . . .	\$5.90
(a) + (b) = (c) . . . . .	\$23.68
HPE Allocation % (a)/(c) . . . . .	75.10%
Everett Allocation % (b)/(c) . . . . .	24.90%

Information Statement to the Internal Revenue Service

STATEMENT PURSUANT TO §1.355-5(b) BY

\_\_\_\_\_ (EIN: \_\_\_\_\_),

A SIGNIFICANT DISTRIBUTE

1. On March 31, 2017, the undersigned, a shareholder owning shares in Hewlett-Packard Company as of the close of business on March 20, 2017, received a distribution of stock in Everett Company, a controlled corporation, pursuant to section 355 of the Internal Revenue Code of 1986, as amended.
2. The names, employer identification numbers, and addresses of the corporations involved are as follows:
  - a. Distributing corporation:  
  
Hewlett Packard Enterprise Company  
47-3298624  
3000 Hanover Street  
Palo Alto, CA 94304
  - b. Controlled corporation:  
  
DXC Technology (f/k/a Everett SpinCo, Inc.)  
61-1800317  
1775 Tysons Boulevard  
Tysons, VA 22102
3. No stock or securities in Hewlett Packard Enterprise Company were transferred or surrendered by the undersigned in connection with the distribution. The aggregate fair market value, immediately before the distribution, of Everett SpinCo, Inc. stock received by the undersigned in the distribution was \$\_\_\_\_\_.
4. No stock (other than the common stock of Everett SpinCo, Inc.), securities or other property (including money) was received in the distribution, other than \$\_\_\_\_\_ received in lieu of fractional shares of Everett SpinCo, Inc. common stock.

Shareholder's Signature

Spouse's Signature (if stock held jointly)

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# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

## Part I Reporting Issuer

1 Issuer's name  Hewlett Packard Enterprise Company		2 Issuer's employer identification number (EIN)  47-3298624	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  3000 Hanover Street		7 City, town, or post office, state, and Zip code of contact  Palo Alto, CA 94304	
8 Date of action  March 31, 2017	9 Classification and description  Common stock		
10 CUSIP number	11 Serial number(s)	12 Ticker symbol  HPE (NYSE)	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 ▶ See attachment

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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 ▶ See attachment

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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 ▶ See attachment

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**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 lined area for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See attachment

Blank lined area for indicating if a resulting loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment

Blank lined area for providing other information necessary to implement the adjustment.

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 ▶ [Handwritten Signature] Date ▶ April 25, 2017  
Print your name ▶ Jeremy K. Cox Title ▶ SVP

**Paid Preparer Use Only**

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.	

**Hewlett Packard Enterprise Company**  
**Distribution of Everett Company Common Stock**  
**Attachment to Form 8937**

**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 March 2, 2017, the Board of Directors of Hewlett Packard Enterprise Company ("HPE") declared a pro rata dividend to HPE common stockholders of record as of the close of business on March 20, 2017 (the "Record Date") of 100% of the outstanding shares of Everett SpinCo, Inc. ("Everett") common stock payable on March 31, 2017 (the "Distribution Date"). On the Distribution Date, HPE completed the spin-off of Everett (the "Distribution") and each such shareholder who held HPE common stock on the Record Date in the "regular way"<sup>1</sup> prior to the Distribution Date received 0.085904 shares of Everett common stock for each share of HPE common stock owned on the Record Date.

**The information contained herein does not constitute tax advice and is not intended or written to be used for the purpose of avoiding penalties under the Internal Revenue Code. In addition, this information does not purport to be complete or to describe the consequences that may apply to particular categories of HPE shareholders.**

**Shareholders are urged to consult their own tax advisor regarding the particular consequences of the Distribution, including the applicability and effect of all U.S. federal, state and local, and foreign tax laws.**

**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 percentage of old basis.**

HPE shareholders should allocate their aggregate tax basis in their HPE common stock held immediately prior to the Distribution among the shares of Everett common stock received in the Distribution (including any fractional share of Everett common stock for which cash was received) and the HPE common stock in respect of which such Everett common stock was received in proportion to their respective fair market values immediately after the Distribution.

**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 discussed under Line 15 above shall be allocated based on the respective fair market values of the resulting HPE and Everett shares received. However, the tax law does not provide any further guidance on the determination of fair market value. One method to determine

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<sup>1</sup> Shares of HPE common stock that traded in the "regular-way" market on the New York Stock Exchange prior to the Distribution Date traded with an entitlement to shares of Everett common stock distributed on the Distribution Date.



the fair market value of the HPE common stock is to use the average of the opening and closing trading prices quoted on the New York Stock Exchange on April 3, 2017, the first trading day after the Distribution. With respect to the Everett common stock, because there were no public trading prices for the stand-alone Everett entity (i.e., there were only trading prices quoted for the post-Merger DXC entity), one approach to determine the fair market value of the Everett common stock is to use the average of the opening and closing trading prices of DXC quoted on the New York Stock Exchange on April 3, 2017, the first trading day after the distribution, and adjust this average DXC trading price to take into account the Merger exchange ratio (1 DXC share for 1 Everett share) and the Distribution ratio (0.085904 Everett shares distributed with respect to 1 HPE share) to arrive at a fair market value for each Everett fractional share.

**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 is based are sections 355, 358(a)(1), 358(b), 358(c) and 368(a)(1)(D).

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

HPE intends for the Distribution to qualify as a “reorganization” under sections 355 and 368(a)(1)(D) of the Internal Revenue Code. Assuming that this characterization is respected, HPE shareholders generally will not recognize any loss on the Distribution for U.S. federal income tax purposes. Loss, if any, may be recognized with respect to the hypothetical fractional share redemption.

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

The Distribution occurred on March 31, 2017. As a result, the basis adjustments in the shares of HPE common stock and Everett common stock should be reported in the taxable year that includes this date. In the case of shareholders who are calendar year taxpayers, the Distribution is reportable in the tax year ending December 31, 2017.