



DROPBOX TAX STRATEGY

SCOPE OF POLICY

In September 2016, the Parliament of the United Kingdom enacted Finance Act 2016. In accordance with Schedule 19 of the UK Finance Act 2016, this document sets out the tax policy for Dropbox UK Online Limited ("Dropbox UK"), a subsidiary of Dropbox, Inc. ("Dropbox"). The strategy is being published in accordance with paragraph 16(4) of the Schedule. This strategy applies from the date of publication until it is superseded.

GOVERNANCE

Dropbox UK's overall tax policy is to comply with applicable laws, rules, regulations, reporting requirements and to pay taxes that are legally due and in line with the spirit of the tax legislation. Dropbox UK works to ensure that its tax positions reflect the business activities conducted.

The Chief Tax Officer reports directly to the Chief Financial Officer and is responsible for the implementation of Dropbox UK's tax strategy. The day-to-day tax matters are managed by the internal tax team. The Chief Tax Officer and internal tax team are predominantly located in San Francisco, California. The Chief Financial Officer and the Board's Audit Committee are informed of the company's overall tax policy.

RISK MANAGEMENT

Dropbox UK seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that appropriate care is applied in relation to all processes which could materially affect its compliance with its tax obligations.

Dropbox UK's tax positions are based on commercial and economic activities. We seek to identify key tax risks and to reduce the level of tax risks by monitoring changes in business and tax legislations. The tax team partners with the business to evaluate any changes in our operations to ensure any new tax requirements are adhered to and that intercompany related activities are transacted in accordance with OECD transfer pricing principles. Dropbox may seek to manage tax risks by engaging external tax advisors for guidance on UK tax laws that are new, complex or uncertain to ensure compliance.

TAX PLANNING

In structuring our business we consider various commercial and economic requirements, as well as, other factors such as applicable tax laws. Any tax planning undertaken is aligned with the company's business objectives and compliant with relevant tax laws, regulations and filing requirements. The level of risk which Dropbox accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs.

Dropbox does not engage in any tax avoidance schemes or offshore tax structures. In circumstances where there are complexities with the tax laws or interpretations that may result in differing tax outcomes, we engage external accounting firms and/or tax counsel for guidance.

APPROACH WITH HM REVENUE & CUSTOMS ("HMRC")

Dropbox UK is committed to having a professional and cooperative relationship with HMRC. Our approach is to work with HMRC if any enquiries or disagreements arise so they can be resolved in a timely fashion. Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

Our current communications with HMRC are focused on timely return compliance and responses to queries. We engage external tax advisors to act as our agents who liaise with HMRC on Dropbox UK's behalf.