

Tax Strategy for the year ended December 31, 2020 and December 31, 2021**Scope**

This document outlines Flexport, Inc.'s ("Flexport") UK companies tax strategy and management of tax affairs to ensure transparency and long term sustainability. This strategy has been published in accordance with Schedule 19 of the Finance Act 2016 and covers the financial years ending December 31, 2020 and December 31, 2021, respectively. Flexport, Inc is the ultimate parent company of two UK subsidiaries listed below (collectively, "Flexport UK") and we confirm that this strategy will apply to all UK subsidiaries and will be periodically reviewed and updated accordingly.

Flexport UK is committed to maintaining full compliance with all relevant laws and regulations in the UK and makes full, accurate, and timely disclosures in submissions to the HMRC.

UK Companies Covered

Flexport International Limited ("UK Limited")
Flexport Customs Limited ("UK Customs")

Background on UK Operations

Flexport UK provides global logistics services including air freight, trucking, warehousing, customs brokerage, cargo insurance and trade finance delivered via an online platform. Flexport's mission is to make global trade easy for everyone.

Risk Management and Government Arrangements

Flexport, including its board of directors and management, is committed to fulfillment of its tax obligations and maintains vigorous standards regarding tax administration which ensures the timely filing of tax returns and settlement of all required tax payments. Flexport management is responsible for ensuring that all activities conducted within the UK comply with all applicable laws, regulations, and other relevant authority. Thus, Flexport UK has implemented, and continually evaluates, its strong internal controls and governance frameworks.

Management of UK tax affairs are jointly managed by Flexport's Global Tax Team, a team of tax professionals reporting to the Global Head of Tax, European finance resources and external tax advisors with local tax expertise.

Flexport's Global Tax Team actively and continuously monitors tax risks so they remain aligned to the operational and strategic objectives. If any risks are identified, in-house tax experts along with external advisors manage these appropriately to ensure compliance with applicable laws and regulations.

UK Tax Planning and Risk

Flexport considers its reputation, brand, corporate and social responsibilities, and applicable legal and regulatory requirements when determining an approach to tax planning and related risks. Flexport UK is not involved in overly complex or risky business transactions but rather derive revenue from providing freight forwarding and customs services to Flexport's customers. Income is attributed in accordance with guidance issued by the OECD and in accordance with the arm's length principle. The Group consults with international tax and audit consulting firms to determine appropriate transfer pricing methodologies and arm's length ranges.

Based on our current internal controls and governance, management does not engage in aggressive or otherwise questionable tax practices regarding UK tax planning. We believe in paying the correct amount of tax and filing an accurate return the first time. Thus, we adopt a low-risk approach when considering our UK tax footprint.

Approach towards dealings with the HMRC

Flexport has established a professional, cooperative, compliant, and transparent relationship with the HMRC. As UK Limited and UK Customs are both compliant with their reporting requirements and have no complex tax issues in the UK, extensive interaction with the HMRC is not necessary. It is our policy to take a collaborative and responsive approach to any inquiry or request from the HMRC and continue to remain taxpayers in good standing.

When necessary, Flexport will ensure that the HMRC is aware of significant changes to our business, and we acknowledge our responsibility to ensure that our tax affairs with the HMRC are honest, transparent, and accurate.